FBIS DAILY REPORT

CONTENTS

Eastern Europe

Vol II No 002 *3 January 1985*

ALBANIA

Report on 1984 Economic Results, 1985 Draft Plan B 1
[ZERI I POPULLIT 25 Dec]

BULGARIA

Diplomatic Relations With Egypt Restored C 1
Zhivkov Expresses Hope in New Year's Message C 1

CZECHOSLOVAKIA

Hoffmann Meets Visiting Soviet TU Delegation D 1
Soviet Delegation Arrives for Economic Talks D 1
Hungarians in CSSR Request Activist's Release D 1
[Vienna DIE PRESSE 29-30 Dec]
Husak, Strougal Greet Castro on National Day D 1

GERMAN DEMOCRATIC REPUBLIC

Deputy Defense Minister on Warsaw Pact E 1
[BERLINER ZEITUNG 31 Dec]
FRG Citizen Arrested on Espionage Charge E 2
Honecker Message to PLO's 'Arafat on Anniversary E 2
[NEUES DEUTSCHLAND 31 Dec]

HUNGARY

Disclosure of U.S. Plans for Gromyko Talks Viewed [Csak] F 1
Faluvegi Addresses National Assembly on Economy F 1
[MAGYAR HIRLAP 20 Dec]
Taxes Raised on Economic Bodies, Automobiles F 9
Small-Sacle Farmers Face Support Changes F 9

POLAND

Testimony Continues in Popieluszko Trial G 1
Ministry on Jurisdiction, Press at Trial G 11
Papers Report on Visit by Italy's Andreotti G 12
Talks Summarized G 12
[TRYBUNA LUDU 24-26 Dec]
Olszowski Speaks at Dinner G 13
[RZECZPOSPOLITA 21 Dec]
PZPR Plenum Adopts Resolution on Inspectorate G 15
[TRYBUNA LUDU 29-30 Dec]

ROMANIA

Ceausescu on East-West Relations, Other Topics H 1
[SCINTEIA 30 Dec]

Stefan Rab Speech to Hungarian, German Councils H 7
[SCINTEIA 28 Dec]
Ceausescu Addresses New Year Well-Wishers H 9
[SCINTEIA 31 Dec]

YUGOSLAVIA

TANJUG Views Prospects of Gromyko, Shultz Meeting I 1
Finance Secretariat Announces Price Changes I 1

REPORT ON 1984 ECONOMIC RESULTS, 1985 DRAFT PLAN

AU291640 Tirana ZERI I POPULLIT in Albanian 25 Dec 84 pp 1-3

[Report delivered at the 24 December session of the People's Assembly of the People's Socialist Republic of Albania in the name of the Council of Ministers by Harilla Papajorgji, chairman of the State Planning Commission: "On the Fulfillment of the 1984 State Plan and Budget and on the Draft Plan for the Socioeconomic Development and State Budget for 1985"]

[Text] Comrade deputies, we are holding this session of the People's Assembly to approve the draft plan for socioeconomic development and the state budget for 1985 only a few days after the magnificent celebration by all our people of the 40th anniversary of the country's liberation and the triumph of the people's revolution.

Our magnificent victories attained during the past 40 years, and the force and vitality of the new Albania in constantly and resolutely advancing on the brilliant road of socialism, relying fully on our own forces, are all based on the steel-like moral-political unity of the people around the party led by Comrade Enver Hoxha This unity was created with the blood of the best sons and daughters of our people in the struggle for the country's liberation and the victory of the people's revolution. This unity was further steeled during 40 years of toil and titanic efforts on the part of the working masses, led by the party, to build a new and happy socialist life and to defend it bodly and with rare courage against the savage enemies of our country, against the American imperialists, the Soviet social imperialists, the Yugoslav and Chinese revisionists, and international reaction.

The successes attained during these 40 years of consistently implementing the principle of self-reliance and the vitality of our socialist system are even more apparent now when the entire capitalist and revisionist world is suffering from a great political, moral, economic, and social crisis. Whereas "our socialist Albania" -- Comrade Enver Hoxha stressed in his greeting to all the people and the party -- "was transformed from its very foundations during these years and experienced the kind of growth, rejuvenation, and comprehensive development that it had not experienced for centuries on end. Everything is new and healthy in Albania -- its visage and substance, the new life that is flourishing and assuming new dimensions, and our new man equipped with the lofty virtues of the communist ideology, happy and proud of what has been achieved, convinced and conscious of the continuity of our road, our efforts, and our honor and pestige."

This session of the People's Assembly is meeting with a rich balance sheet of successes. Allow me, comrade deputies, on the basis of the analyses of the economic plan and state budget carried out by the AWP Central Committee Politburo and the Council of Ministers, to present the main targets stipulated in the 1985 draft plan and some of the major directions on which the work and attention of the Council of Ministers and of the other state and economic organs will be centered next year.

I. -- On the Fulfillment of the 1984 State Economic Plan and Budget

Guided by the party, the working masses in the cities and countryside attained successes in economic and socal development and in further strengthening the defense potential of our socialist country. Owing to the mobilization and great efforts exerted in conjunction with the celebrations of the 40th anniversary of the country's liberation and to implement the important decisions of the Eighth and Ninth AWP Central Committee Plenums, our socialist economy preserved its stability and echanced it even further against the encirclement, blockades, and economic crisis of the capitalist and revisionist world, as well as against the great difficulties caused by the prolonged drought experienced this year.

The social product experienced new growth in numerous branches and sectors of the economy, its efficiency was further raised, and the material, financial, and currency needs for extended socialist reproduction were met in full through our own forces, while the material and cultural well-being of the people was further raised.

The production potential of various branches of industry was further raised this year and production capacities were made better use of, which made possible an increase of 3.3 percent in industrial production. The tasks stipulated in the plan were fulfilled and overfulfilled with regard to many important products. Compared to 1983, electricity production increased 18 percent, coal production 13 percent, copper wires and cables production 19 percent, blister copper production 14 percent, chrome production 5 percent, carbonic ferrochrome production 19 percent, footwear production 6 percent, the fish catch 8 percent, and so forth.

The development of industry was accompanied by achievements in discovering new industrial reserves of oil, gas, chrome, copper, coal, and other minerals, thus opening up prospects for a more intensive utilization of our natural resources in 1985 and future years.

Our achievements in agriculture were further consolidated in 1984 and the correctness of the party's agrarian policy, intended to constantly intensify production in this basic branch of the economy and to assure the comprehensive development of our cooperativist system, has become even more apparent. Even in the severe conditions created by the prolonged drought experienced this year, the yields and production achieved with regard to numerous field crops, the livestock sector, and the horticultural sector are the highest achieved to date.

Over 4.5 billion leks were invested in the development of industry, agriculture, and other branches of the economy and culture in 1984. Investments were better used primarily in the direction of reconstructions, extensions, and the completion of new production projects already in progress. Some 160 important projects were constructed this year, such as the Gas Purification Plant at Ballsh, the extension of the oil industry engineering plants in Patos and Stalin City, the second continuous casting line at the "Steel of the Party" metallurgical combine, the extension of the chrome factory at Kalimash, the extension of copper enrichment plants at Reps and Fushe Arrez, the reconstruction of technological lines at the Vlore PVC Plant, the reconstruction of a number of factories and production lines in the light and foodstuffs industry and in the construction materials industry, livestock-raising complexes in Tirana and Saranda, irrigation projects, and a number of sociocultural projects. In addition, construction work progressed rapidly at other important projects such as the "Enver Hoxha" hydroelectric power plant at Koman, the Lac superphosphates plant, the lubricant oils plant at Ballsh, the Fier-Vlore and Shkoder-Han I Hoti railroad lines, and so forth.

Considerable investments were also effected for further development of the sociocultural sector. The state built and handed over some 10,500 apartments, thus further improving the living conditions of the people.

Railroad and maritime transportation experienced further development, thus raising economic efficiency.

The numerous measures adopted and the revolutionary initiatives and actions carried out by working collectives in the course of implementing the decisions of the Ninth AWP Central Committee Plenum had a powerful influence in increasing the country's financial resources and in further strengthening our finances. The uninterrupted financing of the economy and culture and the further strengthening of the country's defense potential were thus assured.

Further development of the economy, education, culture, and the health and other service sectors resulted in further elevation of the material and cultural standards of our people. Purchasing power was further increased. The domestic market, where an increase of 3.9 percent over 1983 was experienced, better served the needs of the people, and the per capita consumption of a number of commodities increased, particularly in the countryside. The working people in the foreign trade sector made considerable efforts to place our commodities in foreign markets and secured a number of necessary commodities for our economy.

All these achievements in the jubilee year of the 40th anniversary of the country's liberation and the triumph of the people's revolution are, as always, a result of the far-sighted Marxist-Leninist policy of the party and Comrade Enver Hoxha's teachings, as well as of the tireless work and great efforts of the broad working masses in implementing the plan.

However, while appreciating the positive balance of attainments in 1984, the Council of Ministers also analyzed in the spirit of the Ninth AWP Central Committee Plenum the failure to completely fulfill tasks in some particular branches and sectors of the economy. The Council of Ministers has adopted measures to eliminate weaknesses in the work of some oil industry enterprises, their respective people's council executive committees, and the Ministry of Energy, which were a major reason for the nonfulfillment of tasks in this important sector of the economy. Better measures should have been adopted and more efficient management should have been implemented by some ministries, people's council executive committees, and enterprises to prevent the nonfulfillment of some indicators in chrome and coal extraction, in the enrichment and processing of some minerals, in the processing of certain products in the light and foodstuffs industry, and so forth. The Ministry of Agriculture and certain executive committees in the districts should have made more persistent efforts to introduce and implement advanced experience and new technologies in agricultural production, and should also have carried out more effective control.

From the analysis of these shortcomings, defining also its own responsibilities, the Council of Ministers has stipulated a number of tasks and concrete measures to improve the organization and scientific management of the economy by all state and economic organs at the center and in the periphery, to further raise the revolutionary spirit and enthusiasm generated throughout the country by the celebrations of the 40th anniversary of the liberation and the warm greetings of our beloved leader, Comrade Enver Hoxha, addressed tot he people and the party, and to strengthen work and plan discipline in struggle against manifestations of bureaucracy, technocracy, and liberalism.

II. -- The Main Tasks in the 1985 Draft State Plan and Budget

Comrade deputies, as is known, 1985 is the last year of the seventh 5-year period (1981-5), this being the first 5-year plan that has been drafted and implemented with total self-reliance. In the draft plan now being presented for approval, in accordance with the directives of the Eighth AWP Congress and the possibilities created, efforts have been made to stipulate targets that are even more advanced than those stipulated in the original Seventh 5-Year Plan, in order to compensate for the failure to fulfill targets in some branches.

The 1985 draft plan stipulates great tasks, but they are feasible. It is a characteristic of this plan that the rapid rate of increase in the social product, national income, and other branches will be achieved through a strict regimen of thrift in the use of the material and technical base and financial and foreign currency funds.

The comrade deputies are widely acquainted with the tasks stipulated in the draft plan through the material distributed to them in preparing this session. The deputies are therefore concentrating on some of the major tasks.

The draft plan stipulates that the overall increase in industrial production in 1985 will be 6.2 percent higher than in 1984. Considerable tasks are stipulated for the energy industry and in the extraction of certain minerals; for better utilization of capacities in the heavy processing industry; for extension of the range of consumer commodities; and so forth. New and important projects in the extractive and processing industries will also be commissioned.

Oil and gas extraction will continue to constitute the major task because the rapid development of all social production depends largely on increased oil and gas supplies. The draft plan therefore has stipulated the necessary material, foreign currency, and financial base needed for this development, which must be utilized with the highest degree of efficiency. In this sector, and generally with regard to the increase and utilization of energy products, efforts must be centered on the fulfillment of plans and the attainment of targets with the least possible investment and expenditure. In addition to the efforts to achieve the targets in oil and gas extration without fail, greater efforts will have to be made on a sound scientific basis to increase the industrial reserves of oil and gas, rigorously implementing the party's directions and Comrade Enver's teachings with regard to the oil industry.

To meet the needs of the economy for coal, its extraction is expected to increase 6.4 percent over the 1984 achievement. The Council of Ministers has charged the respective state organs to adopt and implement more complete organizational and technological measures to ensure the steady fulfillment of planned tasks, particularly in the Tirana coal basin.

The production of electricity is to increase 5.1 percent. The increase will come entirely from the hydroelectric power plants. The first two turbines of the "Enver Hoxha" hydroelectric power plant at Koman will be commissioned in 1985. This plant is the largest ever constructed in our country. This will be a very considerable success and will assist the development of production forces in our country, as well as increase our exports.

On the basis of the considerable tasks in 1985 and the problems pertaining to the field of energy, the Ministry of Energy, its various organs, and the people's council executive committees in the respective districts must adopt firm measures to ensure the fulfillment and overfulfillment of tasks without fail in all sectors. What is of primary importance here is the improvement of organization and management, the strengthening of proletarian discipline, rational utilization of the existing material and technical base, and the implementation of existing and new technologies.

In the mineral extraction and processing industry, special measures will be adopted to better utilize existing capacities, to reduce losses in the course of extraction and processing, and to enrich the poorer minerals to a greater extent. The Ministry of Industry and Mines and the respective people's council executive committees in the districts are implementing a number of measures on the basis of decisions adopted by the Council of Ministers so as to ensure the fulfillment of stipulated tasks, particularly with regard to chrome extraction and improving the qualitative technological parameters of the enrichment plants, the smelting plants, and mineral processing. Greater efforts must be made at the "Steel of the Party" metallurgical combine to reach planned production capacities, to produce new types of high-quality steel, to reduce imports, and to raise production efficiency.

Higher targets are stipulated for the chemical industry to better meet the needs of agriculture and other branches of industry as well as the needs of the population. The production of chemical fertlizers for the agricultural sector is expected to increase 16 percent, and the production of pesticides is to increase 65 percent. There will be considerable increases in the production of caustic soda, calcinated soda, PVC, detergents, and so forth.

In the engineering industry, the draft plan stipulates qualitative achievements in the production of machinery and spare parts, the application of new technologies to improve product quality, an extension of the range of products, and a reduction of imports.

The light and foodstuffs industry will better meet the needs of the population and of the economy with mass consumer goods. In addition to the need to secure raw materials, attention must be centered on efficient processing of these materials, reducing waste to the minimum. In the foodstuffs industry, the 1985 tasks stipulate an increase in the preservation of fruit and vegetables and in improving the structure of fruit preserves, increasing the quantity of those requiring less sugar additives and which are qualitatively superior and in greater demand. Improvements will also be made in the structure of textiles, increasing the quantity of polyester-cotton mixtures. Measures have been adopted to produce lighter materials and to apply new technologies in coloring and printing. The structure and quality of footwear and other products of light industry will also be improved.

Aiming at generally attaining the targets set out by the Eighth AWP Congress in the development of industry, the 1985 draft plan also stipulates a rapid increase in agricultural production. The production and yields of field crops and livestock products are higher than those attained during the first 4 years of the current 5-year period. Compared to 1984, agricultural production is expected to increase about 17 percent. Attainment of this target is feasible when we take into consideration that, despite the difficult conditions experienced this year, the wheat yields in Shkoder, Kukes, Puke, Mirdite, Librazhd, and Korce districts were 1.6-3.3 quintals per hectare higher than in 1983. Yields of 49 quintals per hectare of wheat were attained over an area of 33,000 hectares in the lowlands, and yields of 44 quintals per hectare were attained over an area of 7,000 hectares in the hilly areas. In state farms such as those in the Maliq and Plase state enterprises, yields of 63-65 quintals of wheat per hectare were attained over the entire area. Yields of 14.3 quintals of cotton per hectare were attained over the entire area, or 5 quintals per hectare more than in the previous year. In addition to increased yields, the quality of tobacco was improved about 20 percent. In order to provide better support for agriculture in 1985, about 30 percent of all investments on a national scale will go to that sector.

Implementing the tasks set out by the Ninth AWP Central Committee Plenum and Comrade Enver Hoxha's instructions, the Council of Ministers stipulates certain improvements in the structure of fields crops and of livestock products to better meet the needs of the population, particularly with regard to potatoes, beans, and vegetables; to secure a rapid increase in the production of meat, particularly from sheep and pigs; to further increase exports; and to reduce imports by raising the acreage of tobacco, cotton, and so forth.

Increased grain production remains the major task of agriculture in 1985. This is necessary to meet the needs of the population and to increase bread grain reserves, but also to ensure fulfillment of the considerable tasks in intensifying livestock products, particularly with regard to meat and eggs.

The necessary measures will be adopted to disseminate the advanced experience of numerous agricultural economies which have attained high yields, not only in the plains, but also in the hilly and mountainous areas. Yields of 42 quintals per hectare of wheat and 57 quintals per hectare of corn have been planned for next year in the lowland areas, and 25 and 28 quintals respectively in the hilly and mountainous areas. Cotton yields of 15 quintals per hectare and tobacco yields of 10 quintals per hectare are planned, as well as increases in the yields of other crops such as sunflowers, potatoes, beans, and so forth. Special tasks have been stipulated with regard to yields and production in the area designated for priority intensification.

With regard to the livestock sector, the Ministry of Agriculture must increase its attention in raising the amount of livestock in the agricultural enterprises and cooperatives. The 1985 draft plan stipulates tasks that are intended to further the improvements observed in 1984 in increasing the amount of livestock of all kinds, as well as yields. The production of meat is expected to increase 9.4 percent and the production of milk 7.8 percent compared with 1984. The Ministry of Agriculture and the districts must adopt firm measures particularly with regard to increasing yields of forage crops, since the situation concerning the fodder base, despite increased acreages, is still unsatisfactory in a number of agricultural economies. In addition, to better support the tasks pertaining to the increase in the amount of small livestock, a threefold investment increase, compared to the average over the 1981-84 period, is planned for improving pastures. To ensure a more efficient use of these investments, agricultural economies and organs should aim at increasing the capacities of winter pastures, at creating more cultivated pastures, and at increasing the amount of livestock in these pastures.

In the transportation sector, efforts must be better centered on the development of railroad and maritime transportation. With the commissioning of the Fier-Vlore and the Shkoder-Han I Hoti railroad lines, road transportation will be further eased. But the improvement of technical and economic indicators, where the tasks are not properly fulfilled, remains a major task in raising efficiency. More trailers should also be used. Producers and receivers of commodities should implement the decisions adopted in order to eliminate lags in loading and unloading operations.

Some 4.62 billion leks are allocated for development of the economy, development of the sociocultural sectors, and further strengthening the country's defense in 1985. As always, the overwhelming part of investments will be directed toward development of the various branches and sectors of the economy. By concentrating work and mass actions on a broader sacle, about 145 important products will be constructed and commissioned in 1985, such as the first stage of the "Enver Hoxha" Hydroelectric Plant in Koman, the extension of the copper factory in Reps in Mirdite District, the extension of the iron-nickel mine at Cervenake, the 220 kilovolt high tension line from Koman to Elbasan, some important sections of the Durres chemical enterprise, the detergents production line in Stalin city, the fiber boards factory at Fushe Arrez, the extension of the Tirana procelain factory, a number of livestock-raising complexes, irrigation and soil improvement projects, and so forth.

Together with the district executive committees, the Ministry of Construction and other investors should strengthen cooperation and strictly implement the graphs pertaining to construction, handing over, and commissioning of projects.

The 1985 plan outlines important tasks in the field of exports and imports. The central departments, districts, and foreign trade organs are required to work very earnestly to achieve the planned tasks steadily, to begin the new year with new outlets to increase exports, and to further limit and reduce imported commodities.

The foreign trade organs should work better than they have hitherto in guaranteeing the planned export of commodities and in extending markets. Every ministry should adopt measures to ensure strict savings and control in the use of imported raw and other materials, permitting under no circumstances any inclination to exceed planned norms and imported quantities.

As a result of the measures stipulated in the 1985 draft plan, the material and cultural well-being of the broad working masses will rise further on the basis of increased production. The real per capita income of the population will increase 2.4 percent compared with 1984, giving priority to a more rapid increase in the incomes of the cooperativist peasantry.

Retail trade will increase 4 percent. Communal services as a whole will increase 5.3 percent. The material well-being of the people is guaranteed by the objectives for development of production and the increase in real incomes in 1985, and will be further increased. This constitutes one of the great victories of the party's correct economic policy, whose importance grows even more when we consider that it has been attained under the conditions of the imperialist-revisionist blockade and at a time when the economic crisis, inflation, and unemployment in the capitalist world are resulting in the daily decline of the living conditions of the broad working masses.

The draft plan being presented envisages a further improvement in housing conditions. A total of 17,500 apartments and other dwellings will be built next year, 11,500 by the state and the rest by cooperativists themselves. The attainment of this target means that the task stipulated by the Eighth AWP Congress for the construction of 80,000 apartments and other dwellings in this 5-year period will have been fulfilled.

Education and culture will continue to develop in accordance with the directives of the Eighth AWP Congress to increase the qualitative level of training of pupils and students. Their number in all categories of schools will reach 736,000. Over 5,000 new student will be admitted to the higher schools.

The health service will also experience further development next year. In addition to new investments and other measures that will be adopted to better meet the needs of the people, the improvement in the quality of medical services, particularly in the countryside, will continue to be the major task of the Ministry of Health, the district executive committees, and all medical institutions.

To ensure the continuous financing of the economy and culture, the Council of Ministers has drafted and is presenting for approval the 1985 draft state budget. This reflects the great tasks stipulated by the Ninth AWP Central Committee Plenum in raising the efficiency of the economy and in further strengthening our finances. The state budget income is expected to be 6 percent higher than in 1984. About 60 percent of the increase in the net income of enterprises is to be secured through the reduction of costs totalling 135 million leks. Some 52.5 percent of the total budget expenditure will be used to finance the development of the economy, sociocultural measures will take 26.8 percent, and 10.9 percent will be used to further strenthen the country's defense potential. Intensifying their cooperation with the central departments and the districts, the Ministry of Finance and the State Planning Commission must follow better the implementation of the tasks set out by the AWP Central Committee and the Council of Ministers with regard to the scientific establishment of norms for the use of materials and their administrations, to the administration of financial assets, to the strengthening of financial control, to eliminating slow-moving stocks, to better controlling enterprises and operations carried out at a loss, and so forth.

The development of production forces in 1985 will be accompanied by a constant improvement in socialist production relations. In the agricultural sector, care will be shown to consolidate and further promote the achievements in the area designated for priority intensification, as well as in the cooperatives specializing in livestock-raising. Measures are being studied and implemented to perfect the organization and management of agricultural economies on the basis of the tasks stipulated by the Ninth AWP Central Committee Plenum, to further improve the system of remuneration according to work, to consolidate the mobilizing force of the plan, and so forth.

On the basis of the directions of the AWP Central Committee, the Council of Ministers will organize and direct the work to be carried out in the districts and at the center in drafting the draft plan for the development of the economy and culture in the Eighth 5-Year Plan (1986-90).

For this purpose, the studies carried out while working on the draft idea of the Eighth 5-Year Plan will be further deepened, and other studies will be carried out.

III. -- Main Directions in Fulfilling the 1985 State Economic Plan and Budget

Comrade Deputies, the tasks stipulated for 1985 are considerable, but fully feasible. The guarantee for their fulfillment lies in the correct leadership of the party led by Comrade Enver Hoxha, in the readiness of the working masses to implement the party's directives and Comrade Enver Hoxha's teachings, in the material and technical base available to the economy, and in the larger scientific potential.

The Council of Ministers has adopted measures and will ensure that activity of the state and economic organs at the center and periphery will be oriented in certain main directions in fulfilling the 1985 plan:

1. Frontal fulfillment of the planned tasks with strict proletarian discipline will constitute the basic direction of the activity of the state and economic organs. As Comrade Enver Hoxha instructs us, there is only one way for the economy to work well: through fulfillment of the planned production growth rates, increased labor productivity, and efficient use of expenditures and investments.

This requires:

First, in regard to plan discipline, that a sound concept be deeply implanted among everyone. The plan is a law approved by the highest party and state organs, and the struggle and efforts to fulfill it without fail must be raised to a much higher degree. This requires a higher sense of responsibility everywhere and among everyone in fulfilling the planned tasks and resolutely avoiding merely reporting things.

Second, that the planned indicators must be fulfilled at all levels (brigade, unit, enterprise, cooperative) and in all districts in the country in order to eliminate negative mutual consequences and to eliminate the most important economic proportions stipulated in the single state plan for the national economy.

Third, that the operational capability at all management levels and among all the working people be increased to eliminate in good time any difficulty that may arise in the process of fulfilling the plan.

The efforts to fulfill the plan must be great everywhere, but particularly in the oil sector, in the mineral extraction and processing industry, in the coal industry, in chrome extraction, and with regard to better utilization of the production capacities of the "Steel and the Party" metallurgical combine and the copper smelting plants. The party and the state have made huge investments in these branches as well as in the chemical, engineering, and light and foodstuffs industries. It is therefore both possible and necessary to get more products for them as well as a greater range of articles of good quality.

In agriculture, it is necessary to increase cost-effectiveness by introducing new technologies to a larger extent and by disseminating advanced experience.

2. Increasing thrift everywhere is a fundamental duty for all state and economic organs and for every working collective. This will lead to increased incomes and reduced expenses. It is a fact that, following the Ninth AWP Central Committee Plenum, good work is being done in numerous collectives in increasing thrift.

The generalization and dissemination of the experience of the "Enver Hoxha" automobile and tractor combine has had valuable results in many collectives. The experience of the "Petro Papi" precision instruments plant in Korce and its initiative in reducing material utilization norms and in placing them on a more scientific base is also of considerable value. This initiative is being widely supported by various enterprises throughout the country. It must be reflected in the improvement of plan indicators, in reducing the quantity of materials and expenditures used, and in increasing financial income.

These and other facts speak clearly about the absolute necessity of thrift because our socialist economy has and constantly creates new possibilities and reserves. These reserves must be sought primarily in raw and other materials, electricity, and fuels, which constitute a large part of costs, and their thrifty use would lead to a further improvement in the well-being of the working people and the strengthening of the economy.

On the basis of the directives issued by the AWP Central Committee and by Comrade Enver Hoxha personally, the Council of Ministers is working and has adopted measures to increase thrift, particularly in the following directions:

-- Savings in raw and other materials to ensure that the increased production tasks in 1985 be fulfilled with lower quantities than allocated in the draft plan, particularly with regard to electricity, fuels, steel, cement, cotton, spare parts, and so forth.

-- Another direction is to increase the efficiency of large investments and of the projects constructed every year. Excessive demands must be removed from these projects, constructions should be made lighter, and the cost of construction materials should be reduced. Premature projects which are not extremely necessary should not be allowed. This must be considered also in the production sector, where the costs of administrative buildings frequently consume a large proportion of investments. For example, a critical review of the design for the chrome enrichment plant in Bater would save 3 million leks. In the case of the Bence-Veliqot irrigation canal, savings of 4 million leks could be achieved. Construction of the Lise reservoir in Durres could cost 1 million leks less; the refrigeration plant in Dvoran, Korce could be constructed for 800,000 leks less, and so forth.

-- The state and economic organs must pay greater attention to rational use of the accumulation fund, particularly with regard to the more efficient use of turnover assets, through measures now implemented to accelerate the circulation of slow-moving materials and commodities, and through increasing the role of credits in this field.

All savings achieved in these and other fields make investment on other production fronts possible, creating new jobs and increasing production and reserves.

3. An important turning point in raising labor productivity will be made with the 1985 draft plan. Comrade Enver Hoxha teaches us that high quality and highly productive work by people is the decisive factor in raising production efficiency and in promoting the economy as a whole. This will be an important task in 1985 because over 50 percent of the planned increase in social production is to be achieved through increased social productivity.

Concrete measures for large-scale and small-scale mechanization are expected to be programmed by the center and at the periphery. These would include large numbers of workers and cooperativists, ease their work, and increase productivity. The workers and specialists must have their say in this, planning and implementing these measures, particularly in the mining, timber, and construction industries where shortcomings are still apparent in this respect.

Appropriate measures must also be adopted to establish better proportions between main and ancillary workers. Considerable gains can still be made through the better utilization of working time, through raising norms, through improving management, and so forth. The party has instructed that a more determined effort be made to prevent excessive personnel growth in the administrative apparatus. In addition to the aforementioned directions, the district executive committees have been instructed to show greater care to ensure that new workers be employed in effective work, directing them primarily toward such sectors as mining, construction, agriculture, and so forth, in which the working force plan again showed a shortfall of several thousand people this year.

4. The improvement of organization and management is the key to fulfillment of the planned tasks in the economy and every other sector. This has been and remains a wide field of activity for everyone. Implementing the tasks set by the May 1982 meeting of the AWP Central Committee's Political Bureau, the state and economic organs have further improved their method of work.

However, as Comrade Enver Hoxha instructs us, it is necessary that the implementing force of the party, state, and economic organs be raised to a much higher degree in a practical spirit and in a spirit of action in fulfilling the tasks. The central and peripheral administrative apparatuses must raise their sense of responsibility and provide solutions to problems, instead of merely observing and noting, as happens in some cases. The efficiency of management work is measured and must be measured even better through the concrete results attained in plan fulfillment and in the creation of clearer concepts about the tasks and situations and about implementation of the principles guiding and supporting our economy. It cannot be argued that the principle of self-reliance or plan discipline is properly understood when some enterprise and agricultural economies are spending more than they produce, when there are demands for imports at a time when exports are not being fulfilled, and when expenditures are not being accompanied by a greater increase in income. Comrade Enver teaches us that it is not possible to consume more than one produces. It is necessary to draw conclusions from these teachings at every level of management and production. This must be properly understood by everyone, the cadres in the ministries, districts, and enterprises, as well as all workers and cooperativists.

The party has instructed that improving management requires better organization and recording of production and distribution. In some cases, the consumption of raw and other materials in enterprises is not documented at every production and construction stage. Tasks have therefore been stipulated to review and to improve at the same time basic documentation in enterprises and cooperatives, which will also lead to a more concrete administration by management cadres.

Greater efficiency is also required in the sociocultural sphere because the state is spending considerable assets which are directly or indirectly linked with the tasks in the production sector and with the communist education of the working people. Scientific workers have resolved and will resolve such important problems even better by better linking their activity with actual problems posed by life and with our revolutionary development.

Socialist construction and the fulfillment of plans in our country take place under conditions of imperialist-revisionist encirclement and blockade and the deep and constant crisis that has gripped life and the economies in those countries. As Comrade Ramiz Alia stressed in his speech at the solemn meeting commemorating the 40th anniversary of the country's revolution and the victory of the people's revolution: "We must therefore constantly increase revolutionary vigilance and strengthen the people's unity with the party led by Comrade Enver Hoxha. We must be organized and disciplined at all times. We must work tirelessly to fulfill the tasks in all fields and on all fronts of socialist construction and national defense.

Our socialist state follows a policy of independence and total national sovereignty. Its clear principles and consistent positions have given our country an honored reputation in the world. This policy has always been characterized by a resolute stand against imperialism, modern revisionism, and all international reaction. Our country has diplomatic relations with 100 different states and has trade relations with a large number of countries. The correct policy of our party and state brings us close to and unites us with the peoples struggling for freedom and independence, peace-loving peoples, progressive people, and friends and well-wishers.

Comrade deputies, these are briefly the objectives of the 1985 plan and the main directions on which the work of the Council of Ministers and all other economic and state organs at the center and periphery will be centered, under the party's direction. The Council of Ministers is confident that the working masses in the cities and countryside and all the state and economic organs, conscious of the situations in which we are building socialism, will further raise their mobilization and struggle, under the party's leadership, to fulfill the 1985 planned tasks that we are approving in this session of the People's Assembly. Self-reliantly, let us turn 1985, the last year of the current 5-year period, into a year in which we exert all our efforts to implement the directives of the Eighth AWP Congress and Comrade Enver Hoxha's teachings to achieve new successes in constantly strengthening the economy and culture, raising the country's prosperity, and further steeling our socialist homeland.

DIPLOMATIC RELATIONS WITH EGYPT RESTORED

AU311635 Sofia Domestic Service in Bulgarian 1600 GMT 31 Dec 84

[Text] Bulgaria and Egypt have fully restored their diplomatic relations. On this occasion, the Bulgarian state flag was raised today over the building of the Bulgarian representation in Cairo, which from today received the rank of embassy.

ZHIVKOV EXPRESSES HOPE IN NEW YEAR'S MESSAGE

AU021042 Sofia Domestic Service in Bulgarian 2250 GMT 31 Dec 84

[New Year's speech by Todor Zhivkov, chairman of the State Council -- live or recorded; date and place not stated]

[Text] Esteemed comrades, dear compatriots, in these hours the world is turning a new page in the calendar. We are parting with 1984 and 1985 is about to begin.

All people in the world share the same thought and concern: What will the new year bring? Will it bring peace or the threat of a new, devastating war? Will it bring cooperation among the peoples and a new step along the path of progress, or will it bring new dangers threatening life on our planet?

As is known, hope sustains man. We, the Bulgarians, are not simply hoping, but struggling for peace. The hope for peace, understanding, and progress which we are sharing with millions of people in the world is fully justified. Our hope, our clear faith in the future is based on the iron foundations of the political, economic, and military power of the socialist community member-countries. [sentence indistinct]

Our hope and our clear faith in the immediate future reflect the desire of all peoples who resolutely reject the frightening prospect of becoming shadows on the deserted paths of a dead and devasted plant still rotating in orbit.

The Soviet Union and the Warsaw Pact allied member-countries are (?maintaining the balance of power in the military sector as regards their relations with the United States). This is a historical achievement that we are firmly resolved to protect, so that it may not be disrupted to the advantage of either of the two opposed social systems. This fact fills us with confidence that the forces of war will finally resign themselves to the situation.

For us, the citizens of Bulgaria, 1984 was a year of happiness, but it was also a difficult year, because we had to overcome numerous difficulties. [passage indistinct]

The year 1984 was a happy year for us, because the social system and the people's selfless efforts once again confirmed the fact that our achievements are great and that we are proceeding along the correct path.

Today we can state that despite the difficulties, despite the actions of those who are trying to obstruct our development, the People's Republic of Bulgaria has confidently and steadily continued to build the mature socialist society during the year that has just elapsed. The 1984 plan was fulfilled. The preconditions for fulfilling the 1985 plan and for the implementation of the Eighth 5-Year Plan have been created. Tremendous theoretical work was accomplished to explain our prospects of development for the period up to 1990, and in some sectors even up to 2000. Practical steps have been accomplished for the implementation of all these projects.

In our time, when the living standard of most peoples is constantly deteriorating, the People's Republic of Bulgaria has been able to preserve and increase the prosperity of its own citizens. Besides our cultural successes on a worldwide scale, 1984 brought us great joy also in other fields, such as sports. The Bulgarian flag was hoisted on several occasions to mark the honorable first place won by our athletes in world and European championships, and it also waves from Mount Everest -- the highest peak of our planet.

We are proud of our successes. Naturally, this does not mean that we are unaware of our shortcomings and ignore them. We are well aware of our unfinished and incomplete projects, we are well aware of the great, new efforts awaiting us in 1985, and later.

To paraphrase the words of our great poet, Khristo Botev, we can say that our path is glorious, but difficult. The main task for us now is to achieve the greatest successes possible in the scientific-technical revolution. This revolution, however, develops continuously. It does not stop like a train to wait for late passengers. This revolution is advancing steadily and those who fail to take it into consideration in good time must suffer. We are now adopting all strategic, theoretical, and practical measures to maintain our place and achieve even greater, new successes in scientific-technical progress and in the international division of labor. That is why we must consolidate discipline and resolutely improve quality. There is no high quality without a discipline, there are no decisive successes without high quality, neither on domestic, nor on international markets. Discipline and quality -- this is what we need today, and everyone who is resolved to prevent Bulgaria from missing the train of progress, must be aware of this.

Permit me, dear comrades, in these last minutes of 1984, to convey to the workers class, to the agricultural toilers, to the people's intelligentsia, and to our soldiers, to our splendid boys and girls, to the communists, to the united agrarians, to the Komsomol and Fatherland Front members, as well as to all our people, our cordial gratitude on behalf of the BCP Central Committee, the State Council, and the Council of Ministers of the People's Republic of Bulgaria for the heroic deeds you have accomplished in 1984. Let us thank you for your confidence in the party and for your faith in communism!

To all of you, citizens of our prospering and [words indistinct] socialist fatherland, I wish you with all my heart and cheerful celebration of the New Year! I wish you great happiness and many successes in your personal lives and in your work! May 1985 be a year of peace, may the hopes and dreams of mankind for a better future come true!

Happy New Year, comrades. Bulgaria is relying upon you. Happy New Year, dearest compatriots, comrades, and fellow-workers in the construction of a mature, socialist society in Bulgaria, in the struggle for communism!

HOFFMANN MEETS VISITING SOVIET TU DELEGATION

LD022257 Prague Domestic Service in Czech and Slovak 2200 GMT 2 Jan 85

[Text] Karel Hoffmann, Presidium member of the CPCZ Central Committee and chairman of the Central Council of Trade Unions, has met in Prague the delegation of the All-Union Central Council of Trade Unions led by a head of one of the council departments, Vladimir Sergeyev, who is on a working visit to Czechoslovakia. The two sides discussed issues connected with the opening of the Druzhba recreation house in the Crimea. The recreation house will serve Czechoslovak and Soviet working people and will be opened to mark the 40th anniversary of the victory over fascism and the liberation of Czechoslovakia by the Soviet Army. At the same time they discussed the preparation of the coming visit of the official delegation of the Central Council of Trade Unions in the USSR.

SOVIET DELEGATION ARRIVES FOR ECONOMIC TALKS

LD022153 Prague Domestic Service in Czech 2030 GMT 2 Jan 85

[Text] A Soviet delegation led by Lev Voronin, first deputy chairman of the USSR State Planning Committee, has arrived in the CSSR. The subject of talks with a CSSR delegation, led by Vladimir Janza, minister-deputy chairman of the State Planning Commission, will be mutual economic cooperation and the system of planned management. Svatopluk Potac, deputy premier of the federal government and chairman of the State Planning Commission, has already held talks with Comrade Voronin.

HUNGARIANS IN CSSR REQUEST ACTIVIST'S RELEASE

AU311259 Vienna DIE PRESSE in German 29-30 Dec 84 p 2

[Text] P.M. dispatch from Prague/Vienna -- Representatives of the Hungarian minority in Slovakia have appealed to CSSR party-state head Gustav Husak to release civic rights struggler Miklos Duray. The main argument of the newly formed group for protection of the rights of minorities is that the geologist has by no means violated the Constitution -- something with which he is being charged -- but that, on the contrary, he is defending the Constitution with his struggle against the Slovak school law. As was repeatedly reported, Duray has been held in pre-trial custody since this spring.

After a storm of protests brought about by his activities, which prompted the Bratislava Government to amend a new school law, Duray is now being charged with violent agitation. He had vehemently opposed passages that would have made Hungarian virtually impossible as a language of instruction. Quoting the statesman Komensky -- "only the mother tongue can guarantee the complete assimilation of the teaching subject" -- the civic rights group demands that the school system be improved. "In agreement with the internationalist and democratic principles of socialist Czechoslovakia, we can only become real members of society by preserving and developing our mother tongue and culture," the group writes to Husak.

HUSAK, STROUGAL GREET CASTRO ON NATIONAL DAY

LD291912 Prague Domestic Service in Czech 1730 GMT 29 Dec 84

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, and Lubomir Strougal, federal prime minister, have sent a congratulatory telegram to Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and chairman of the State Council and the Council of Ministers, on the occasion of the national holiday of Cuba:

Dear Comrade Castro, on behalf of the CPCZ Central Committee and the CSSR Government and people we send you, the Central Committee of the Communist Party of Cuba, the State Council, the Council of Ministers, and the fraternal Cuban people sincere and cordial congratulations on the state holiday of your country -- the 26th anniversary of the victory of the Cuban revolution.

In Czechoslovakia we follow with sincere sympathies the resolute efforts of the Cuban people to realize the aims of the Cuban revolution in building a socialist society in their country and strengthening the international authority of the Republic of Cuba. We value highly the results the Cuban people have achieved under the leadership of the Communist Party of Cuba through their selfless work in developing the national economy, culture, education and social life. These constructive successes confirm the correctness of the path on which the Cuban people began 26 years ago and along which they are today marching successfully in a firm bond with the fraternal states.

The Republic of Cuba contributes to the unity and cooperation of the socialist community. By its foreign policy and its principled stands within the Nonaligned Movement on the side of the national liberation struggle of nations, it makes an important contribution in the struggle against imperialism, colonialism and neocolonialism for enduring peace and progress in the world. We value the bonds of friendship and fruitful many-sided cooperation, which cooperation is developing successfully on the principles of Marxism-Leninism and socialist internationalism between our parties, states and nations. We are convinced that these bonds will be further strengthened and developed.

The Czechoslovak people, who resolutely condemn the aggressive policy of American imperialism toward the Republic of Cuba, will continue to identify themselves fully with its effort to defend its sovereignty and independence.

We wish you, esteemed Comrade Castro, the Cuban Communists and all people of your country many successes in realizing the conclusions of the Second Communist Party of Cuba Congress in building a socialist society. At the same time, accept our cordial congratulations for the New Year of 1985, together with the wish of firm health and personal contentment.

Alois Indra, member of the CPCZ Central Committee Presidium and chairman of the CSSR Federal Assembly, sent a congratulatory telegram on the state holiday of the Republic of Cuba to Flavius Bravo Pardo, chairman of the National Assembly of the People's Government of the Republic of Cuba.

-- Bohuslav Chnoupek, CSSR minister of foreign affairs, on the same occasion also congratulated Isidoro Malmierca Peoli, minister of foreign affairs of the Republic of Cuba.

-- The Central Trade Union Council sent a congratulatory telegram to the Central Organization of Cuban Trade Unions on the occasion of the state holiday of the Republic of Cuba.

-- The Central Committee of the CSSR National Front also sent a congratulatory telegram on the same occasion to the central leadership of the Committees for the Defense of the Revolution.

DEPUTY DEFENSE MINISTER ON WARSAW PACT

AU021429 East Berlin BERLINER ZEITUNG in German 31 Dec 84 p 4

[Interview given by Colonel General Heinz Kessler, deputy minister of national defense and chief of the Main Political Administration of the National People's Army, to BERLINER ZEITUNG -- place, date not specified]

[Text] [Question] May 1985 will be the 30th anniversary of the signing of the Warsaw Pact. How do you see our socialist defense coalition in history, in the present and future?

[Answer] Our thoughts have been focused on 1985 for a long time. It will bring us close to the 11th SED Congress. We will continue with all our strength our policy, which serves the well-being and happiness of the people, and we are filled with confidence that the coming year will also be a peaceful one for Europe.

This optimism is well-founded despite the threatening international situation caused by the unabated arms race of the United States and NATO. It is based on the comprehensive strength of socialism, on the dynamism with which social progress is proceeding in the socialist community and, last, but not least, on the defensive strength of the socialist military coalition, which will commemorate on 14 May 1985 the 30th anniversary of the signing of this Warsaw Pact. It is rather futile to speculate about what the world would look like today without this socialist defense alliance, and this may be left to the wishful dreams of the enemies of peace. It is a fact that, because of the Warsaw Pact and its combined armed forces, military adventures of the NATO strategists have always been stopped in a timely manner. It was with the very creation of the socialist military coalition that an end was put to attempts to transfer the cold war of the fifties, largely fanned by U.S. imperialism, into a hot war and at "rolling back" socialism.

"But we are still around..." This appropriate line from a tune of the music movement should be noted by all those for whom an unrealistic wish to modify the results of World War II obscures reality.

And the Warsaw Pact is gaining further importance. No one can ignore such important initiatives and constructive proposals for securing peace as those contained in the Prague Political Declaration of January 1983, the Moscow Joint Declaration of 28 June 1983, the CEMA Declaration of 14 June 1984, and the Communique from the 3 and 4 December 1984 Berlin Conference of Warsaw Pact Foreign Ministers.

The pace of each fraternal country in its defense of its revolutionary gains also increases as it stands on the side of the Soviet Union. It has been possible year after year to further develop the fraternal cooperation between the National People's Army [NVA] and our Soviet brothers in class and arms. This is very useful for us because it is the Soviet Army and Navy that are providing measuring sticks of combat readiness and fighting strength applicable to all fraternal armies. We are all the more proud that the Armed Forces of our country, shoulder to shoulder with our brothers-in-arms from Lenin's country and with our fellow strugglers from the other fraternal armies, can fulfill their alliance duties as a respected, equal partner.

The NVA members are keeping all this in mind as they prepare for the 30th anniversary of the Warsaw Pact with special achievements in political and combat training, in the duty system of the Air Force/Air Defense Force, and in combat duty at sea. They will worthily commemorate this major social event together with their brothers-in-arms from the Group of Soviet Armed Forces in Germany and with all GDR working people and will thus cover an important stretch on the road to the 11th SED Congress.

PRG CITIZEN ARRESTED ON ESPIONAGE CHARGE

LD021723 East Berlin ADN International Service in German 1601 GMT 2 Jan 85

[Text] Berlin, 2 Jan (ADN) -- FRG citizen Guenter M. has been caught redhanded by the security organs of the GDR carrying out military espionage against the GDR and has been detained. M. was acting on the instructions of the Federal Intelligence Service (BND) of the FRG. Extensive intelligence evidence has been secured. Investigatory proceedings have been initiated and an arrest warrant granted.

HONECKER MESSAGE TO PLO'S 'ARAFAT ON ANNIVERSARY

AU021132 East Berlin NEUES DEUTSCHLAND in German 31 Dec 84 p 2

[Text] Berlin (ND) -- Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, has sent the following telegram to Yasir 'Arafat, chairman of the PLO Executive Committee, on the 20th anniversary of the beginning of the Palestinian resistance on 1 January:

Dear Comrade Yasir "Arafat, on the 20th anniversary of the beginning of the Palestinian resistance I convey to you, the PLO Executive Committee, and to the entire Palestinian people cordial greetings of militant solidarity on behalf of the SED Central Committee, the State Council, and the people of GDR.

Based on the solidarity of the progressive, democratic, peace-loving forces of the world, the courageous Palestinian people, tested by adversity, have with their heroic resistance resolutely rebuffed all imperialist attempts to force them by force of arms and political conspiracies to renounce their inalienable national rights, and to create their own independent state, in particular. The PLO, the only legitimate representative of the Palestinian people, has gained worldwide recognition as a symbol of this struggle.

Be assured that the GDR will consistently support the just struggle of the Palestinian people in the proven solidarity also in the future.

I take this occasion to convey to you, dear Comrade 'Arafat, my sincere wishes for new successes in your responsible work and health and creative vigor on the threshold of the new year.

DISCLOSURE OF U.S. PLANS FOR GROMYKO TALKS VIEWED

LD022306 Budapest Domestic Service in Hungarian 1000 GMT 2 Jan 85

[Text] Prior to the Soviet-American foreign ministerial talks that start next week, President Reagan has approved Washington's stance. Our correspondent Elmer Cxsak reports:

The American President has started the New Year by approving the strategy for the arms control talks, the press reports from Reagan's summer place in California. According to this, Secretary of State Shultz will propose to his Soviet partner that discussions be conducted in two complexes of topics and that they separate the problematics of offensive and defense weapons.

In a surprising move, the American side this time lists medium-range nuclear devices among offensive weapons, although it is probable that this qualification is applied not only to the American weapons deployed in Western Europe, but also to the Soviet SS-20's. Space weapons, according to the American strategy, would belong to the defense category. Therefore, there would be separate talks on these in the future, together with talks on antiaircraft and advance-warning systems. The administration's spokesmen did not give further information. However, observers receive the essence of the announcement with reservation. The question justly arises: Why were the negotiating plans of the American side officially leaked some days prior to the Geneva meeting? Does the disclosure serve the preparations of the other side, or is it misinformation?

FALUVEGI ADDRESSES NATIONAL ASSEMBLY ON ECONOMY

AU281634 Budapest MAGYAR HIRLAP in Hungarian 20 Dec 84 p 4

[Speech by Deputy Premier Lajos Faluvegi at 19 December National Assembly meeting in Budapest: "The Performance of the Economy Should Improve More Than Up Until Now"]

[Text] It appears from both the draft bill and the debate so far that our plan and budget for next year, while promising an increasing rate of development, will require greater efforts, and that they conceal greater risks than those in the immediately preceding years. In the course of the preparatory work, the government did not hide this fact even for a moment.

We have worked out the plan being aware of the fact that 1985 is the last year of the Sixth 5-Year Plan and that it leads to the period of the next medium-range plan. Therefore, at this time, it is proper to review the past years in a little more detail.

As is well known, during the period of the Sixth 5-Year Plan we placed in the forefront of our economic policy the task of restoring and consolidating the balance of the people's economy, including the foreign economic balance, and maintaining on a social scale the standard of living. This economic policy, as a result of the devoted activity of the entire society, has brought about considerable achievements. We have succeeded in halting the increase of debts in the convertible currency area; and even more, as a result of the foreign trade surplus attained in the last 3 years -- generally $500-600 million -- we have also been able to begin reducing our debts. Foreign trade turnover accounted in rubles has become almost entirely balanced. During the same time our productive forecs developed further, even if modestly.

We were able to attain all these results under much worse external circumstances than expected in the Sixth 5-Year Plan. In this 5-year period, in addition to the previous ones, a new trade-exchange loss hit us. As a result of this we annually lost almost 1 percent of the national income. Our import possibilities, for example, of energy and raw materials, have been much more unfavorable than planned.

An unexpected and particularly great trial of this economic policy phase was the period that began at the end of 1981 and lasted some 1 and 1/5 years, a period when, because of sudden changes in the international financial market processes, we had to put up a tough struggle to maintain our solvency. According to our original plans, our foreign trade balance counted in currencies other than the ruble was to be positive only in the last year of the plan period, and to an extent that would make possible the reduction of our debt level. We were able to maintain our solvency, however, only by beginning first with reducing the debts; in order to do this we had to attain, beginning in 1982, a huge export surplus, much greater than originally planned. At that time many people doubted that this would be attainable; others thought that under such circumstances a general decline would unavoidably become apparent in the standard of living. Due to the high interest rates, we had to fulfill considerably more international payment obligations than planned, and as in the meantime the economic performances improved only slightly, we were able to attain the necessary export surplus only by considerably reducing investments throughout the past years. Even so, we did not succeed in maintaining the general level of real wages. Per capital real income and the consumption of the population, however, are expected to reach the bottom line of the provisions of the Sixth 5-Year Plan. The income proportions between different strata and groups have not developed entirely in the way we thought they would: In particular, especially the situation of young people, of families with many children, and of some pensioners has become more difficult.

Social Achievements

There are people who, seeing our existing difficulties -- which of course we are not concealing either -- think that the Hungarian economy has not developed at all in the Sixth 5-Year Plan period; on the contrary, that is has regressed. But let us view the facts!

By the end of the plan period, net national production will exceed the 1980 level by 10-11 percent. Industrial production will grow by 12-13 percent and exports from it will grow faster than this, although this production will utilize less import materials and the number of people working in this area will constantly decrease. Production of agricultural produce will increase by 12-14 percent. In certain important products we have already exceeded the production quantity set for the next year in the Sixth 5-Year Plan. This year our agricultural enterprises have produced more than 15 million metric tons of grain, although a year ago many people doubted whether this could be achieved. All these achievements have contributed to the fact that in 1985 our exports, compared to the value of all domestic products, will exceed the abovementioned by 45 percent. The export surplus of the people's economy in current prices reached 4 percent of all domestic products, which means 35-40 billion forints.

With the rate of economic growth achieved in past years we are not falling behind other countries having similar endowments and burdens. The balance of the state budget will considerably improve, and we will slightly advance in the balance of the work force and investment markets. Along with the forced decrease of domestic consumption, we have been able to safeguard our major social achievements, primarily full employment and social security. We have generally succeeded in maintaining the domestic goods supply level, and the housing and education programs are being implemented.

Production Livens Up

The fact that the foreign economic balance of the Hungarian people's economy is today more firm and that our international judgement can be considered good is favorable from the viewpoint of the implementation of next year's people's economy plan and budget. The foreign economic conditions, however, continue to be tight. We cannot count on an increase in imports of the most important energy and raw materials in the next year, either. We were hit in 1984, too, by no small turnover-exchange loss, mainly due to the fall in our agricultural and food industry export prices. Although in certain places in the capitalist world economy an economic upswing is discernible, it is still be very difficult to increase exports. In certain areas, though we saw some improvement, we could not achieve an increase in accordance with the plan in exports, for instance, of the machine industry accounted to convertible currency; moreover, industrial production has decreased in the last months. The performance of the building industry is also far behind expectations.

As a result of all this, for 1985 we cannot plan economic development of a radically different nature than that planned for this year. Nevertheless, based on our results and experiences so far, and due to our foreshadowing economic policy efforts, ways are opening up for us to carry out certain changes. What are the most important goals and tasks of the people's economy plan for 1985?

First: The need to improve the foreign economic balance continues to be an outstandingly important task in 1985. We are past the point where we had to wage a daily struggle to preserve our solvency. We have now put the further reduction of the stock of debts into the forefront of activity to improve the balance; we have done this in order to reduce the burden of servicing our debts in the future, through repayment and the payment of interest, thus increasing our resources for an increasing rate of economic development. Of course this is also an important condition in our acquiring necessary and advantageous credits for our economic relations on the international money market.

Second: Next year we will be able to halt the decrease of real wages and thus be able to employ a more effective system of financial incentives. This will have a favorable effect on the public mood. However, the decrease in investments that has been going on for several years can end, and more than that, the importing of modern technology to the most important areas of the economy can somewhat increase, although not to an extent that can satisfy all demands.

Third: We can only reach the above goals simultaneously if the performance capability of our economy improves to a greater extent than in the past and if, on this basis, production increases somewhat compared to previous years. This, however, depends primarily on whether our export capability improves, and this is something that assumes not only better products but also lower production costs. Greater and, mainly, more economical exports should be aided by accelerating the structural change and more firmly eliminating the sources of losses. Only in this way can we avoid having turnover-exchange losses again absorb the larger proportion of results attained from more exports.

Fourth: The current efficiency and organization of economic activity -- the traditional utilization of resources so to speak -- are not sufficient for us to attain our goals of further strengthening economic balance and increasing economic growth. There is a vital need to mobilize the creative energies inherent in the working collectives for greater performance, and to more fully assert readiness for renewal. The comprehensive modernization of the system of economic macromanagement due to begin in 1985 serves all these goals.

The development of the economic macromanagement system is a coherent process. We will make great steps forward in this in 1985. We know that it will not be an easy task for our enterprises to familiarize themselves with and adopt these steps. The finance minister spoke in more detail about the new financial regulations; I would only like to point our some major connections of the measures.

The position of the MSZMP Central Committee on the further development of the economic macromanagement system clearly expressed that there is a need to widen the sphere of enterprise independence and at the same time to place greater demands on economic activity. All this should be accompanied by a more efficient state management.

The new forms of enterprise management to be introduced will strengthen the economic activity of those units that react more sensitively to the economic environment but which at the same time are pursuing economic activity with more foresight. New bodies will be created -- the enterprise councils and the elected management -- where the workers' concepts and initiatives, in democratic harmony with the efforts of the enterprise management, can become decisions determining the strategy of economic activity.

Greater Room To Maneuver

Will this great change in the enterprises' life not cause disturbances? Will not the sphere of authority and the responsibility of the collective management and of the director get mixed up? We have every chance to avoid disturbance and uncertainty. On the one hand, we possess adequate experience; on the other, there is sufficient time for preparation. It is important for us to succeed, through joint efforts, in developing effective internal mechanisms everywhere, forms of enterprise and decisionmaking, on the basis of which new enterprise management can function more independently and successfully within a short time. We cannot allow the organization of work to slacken and the performance to fall back even in the switchover period.

We must draw attention to the fact that it would cause serious damage to the life of the enterprises if the personal responsibility to the managers were to become submerged in the collective leadership. The director continues to be responsible for steady management of the enterprises and the organization of the work. The changes in enterprise management have not reduced the rights of the director and have not shifted rights from the director to the enterprise collective. Instead, these changes have shifted more of the so-called ownership rights and employer rights from the ministries and councils to the enterprise collectives. Smooth introduction of the new forms of enterprise management is served by, and the ways and directions of the transformations are discussed in, the recently published joint guidelines of the Presidium of the National Council of Trade Unions and of the government, and is based on full agreement, the implementation of which will be a great test of the strength of the enterprise collectives.

Will the enterprise management's room to maneuver really expand? If we wish to answer this question, we must not lose sight of an important interconnection -- namely that meeting greater requirements is just as much a part of the essence of economic reform as is making economic decisions at the point at which the most information is available. This is where the means, but also the responsibility should be located.

Through modification of the system of regulations we will enable the enterprises -- according to their market conditions and profitability -- to move their production elements more freely both within their gates and beyond them. And we expect them to take all this into consideration in adjusting their internal self-accounting and interest systems.

The situation in successful or outstanding enterprises and units will improve in the future because higher level utilization of the production elements will be reflected in greater profits and greater possibilities for development and for increasing wages. Thus -- even if it is only with small steps in 1985 -- we will begin to replace the short-term interest with the long-term interest, directed at increasing resources and making increasingly big profits.

New possibilities are also opening up for the acceleration of technological development. Will the enterprises have sufficient finances for this?

We must say frankly: The state of our balance does not at present make it possible for the centralization of income to be reduced as early as next year, although the import of modern machines and installations can be larger in 1985. Even if only gradual, an essential change lies in the fact that the amortization will be entirely left with the enterprises and the different withdrawals burdening the development fund will be replaced by a more rational tax.

Thus, even in the near future, these measures will create more favorable conditions for development in those places where existing resources are better used. Let us add that, beginning next year, reorganization of the banking and credit system will provide our enterprises with greater possibilities for acquiring additional financial resources to carry out their good ideas and initiatives. In this way, the long-desired selectivity of development can also be strengthened.

In the most industrially advanced countries today there are two complementary types of technological development trends. One trend is the desire to introduce and spread the most developed technology. Of course only a very few economies are capable of producing or purchasing world-quality products on a wide scale and generally employing the most advanced technology. The other, which is to be found almost everywhere, is the trend of enterprises to carry out smaller development projects, reconstructions and renewals that supplement their capacity and reduce their expenditures, as through this they attempt to increase their competitiveness. Under our current circumstances, this latter type must become general.

The Value of Intellectual Work

It is not enough to reorganize technology and change machines. This must also be accompanied by development of a more modern and more marketable production structure. We cannot again make the mistake, which has been made several times in the past, of allowing most products to remain completely unchanged after the industrial branch or enterprise reconstructions. Neither should we make the mistake experienced at several large enterprises with which the government had to deal with separately -- namely, to forget to modernize certain elements of the technological network.

It is important to mention here that there are still many people who believe that technological development depends exclusively on the investment frames and financial allowances. In order for us to develop and utilize modern technology and in order to renew and modernize our installations and products, we need trained and morally and materially well-rewarded specialists. It is primarily from them that we can expect the intellectual work to become an economic value and a surplus performance value also recognized in the international market.

To achieve all this our enterprises must make better use of their workers' specialized skills and practical experience, and the openmindedness of young people towards new things and their readiness to act. Let me mention just one example. In the most industrially advanced countries, two-thirds of the engineers are involved in research development, technological adaptation, and market organization, and only one-third are directly involved in production. The proportion is almost the reverse in our enterprises, and therefore we cannot ignore the need to change this urgently.

Concerning several points in line with our endowments, our joining the most advanced trends of technology and its development and utilization must also be aided by more firm central economic management than up till now.

The government's outstanding programs will better meet with the interests of the enterprises and workers. Energy and material consumption can be primarily reduced by modernizing technology. It is worth dealing more seriously with the developments in this area because the sums allocated for changing machines and installations that waste energy and material can be offset in a relatively short time and with relatively high security [of return]. The energy-saving stipulated in the government program for energy management will be equal to the value of 400,000 metric tons of oil. A feature of this program that must be further strengthened is that, instead of substituting gas for oil, absolute energy savings must be given priority and we must increase the utilization of local energy sources such as biomass, geothermal energy, smaller accumulations of natural gas, peat, and refuse. In the course of the past few years we have spent twice as much on switching from one source of energy to another as we have spent on actual energy saving. We must reverse this proportion in the coming years. We have adjusted the financial and credit conditions for next year to this effort, but we must better organize both centrally and locally to coordinate our efforts.

Improving Export Capability

Improvement of the enterprises' export capability is an issue of crucial importance for the 1985 economic plan. The people's economy plan is counting on a 5-6 percent increase in exports. This is a very difficult task because we must advance from an already relatively high level in relation to our potential, one which has been attained only with difficulty -- and on top of everything, not under easy market conditions -- we must do this in such a way that the profitability of exports is simultaneously improved. In order to achieve this, there is a need to modify the export structure, and the proportion of manufacturing industry products in this must increase. Improving quality, choice, packaging, and market activity, we must be able to sell our products at better prices. In past years a good many of our enterprises met these requirements or at least advanced in this field. But we cannot say good things about several machine industry enterprises which have fallen behind their own potential and our expectations, nor about those light industry enterprises whose products received the most quality complaints ever. With the modernization of wage regulations we have made it a vital interest for the enterprises to contribute efficiently to increasing their export capability through their wage policy, and we hope that socialist work competition will bring about valuable results in this respect too.

The most important economic policy goal of our plan for next year is to improve the economy's achievements more than hitherto. We have developed our price, wage, and social policy provisions based on this. We have started from the premises: If we wish performance to increase -- and this is in everyone's interest -- we must make material incentives more effective. In 1985, however, the incentive income regulation can be operated only if the outflow of purchasing power is bigger than at present.

Prices and Wages

In recent years, consumer prices have increased more rapidly than in the past. This has some painful social effects which must be ameliorated. Therefore, it is the government's aim to gradually moderate the price rises in the coming years. The balance between purchasing power and the stock of goods -- the maintenance of which continues to be in the interest of society as a whole -- and modernization of the price system, as well as the reduction of subsidies, will make price increases relating to basic goods necessary next year too. However, we will endeavour to limit these increases to a narrower area than in previous years and to counterbalance them for those who are most in need.

Strengthened material incentives, minimized consumer price increases, and the undoubtedly just demands for improvement in social conditions have been difficult to accommodate to the continuing strict balance requirements. For example, the chosen demographic policy measures require obligations amounting to almost 3 billion forints per year to be met from the budget. In connection with this it is understandable that, regarding price, wage, and social policy, there have also been arguments between the government and the organs representing interests. Realistically, we realized that the possible increase in domestic consumption would not provide resources for every necessary measure aimed at improving the standard of living and living conditions. Therefore, we had to take into consideration the differing capacity of various strata of the population to carry burdens.

There was no argument regarding the need to prevent unjustified price increases, and it is quite obvious that the struggle against such increases must be waged in production and in enterprises' cost management. Precisely for this reason, the new system of income regulation and taxation increases the cost-sensitivity of economic units. It does so first of all by making labor more expensive. As a result, it is hoped, an increasing number of enterprises will have to be concerned about how many men are employed for how long and at what cost. This, however, can be realized only if raising prices meets tougher restrictions than there have hitherto been and if there is no way to build into prices expenses resulting from poorly organized work or wasteful management. Price and financial-economic control will be more severe. For production costs affecting consumer prices, we have broadened the obligation to give prior notice of price changes, aiming by this, too, to prevent unjustified price increases.

Finally, taking the present efficiency and burdens of our economy into consideration, the price for a smaller increase in consumer prices next year would have been postponing introduction of the incentive-oriented wage system, and this would not have been right. It is, however, a qualitative change that next year, unlike in recent years, earnings will remain in line with consumer prices. We have developed the new forms of wage regulation by taking into consideration the demands of economic performance, market conditions, and the possibilities of competition. The direct tax on earnings will grow, but the burdens of the increase, if the earnings reflect real achievements, will be smaller, though only in places where employee efficiency is really increasing and work productivity is improving. Just as, for the sake of balance, we had to require that our exports exceed our imports, and in the same way we had to require that work productivity in the productive branches faster than production itself.

Our long-term goal is for industrial production to increase annually 3-4 percent, for agricultural production to increase annually 2 percent, and for work productivity to increase annually 5-6 percent. This is the most important requirement for intensive economic development and at the same time the most effective antidote against inflation.

Long-Term Conceptions

While in recent years we were struggling with much more difficult conditions than expected, we were still able to advance in certain matters of great importance regarding longer-term development.

We have steadily modernized the system of economic macromanagement and enriched it with several durable elements, thus preparing for and beginning its further comprehensive development. Measures have been taken to increase the efficiency of administrative management. Based on social cooperation and scientific help, we have continued the long-term planning of the national economy with a view to the turn of the century. Within this framework we have formulated the long-term program for the demographic situation and for improving the housing supply. We will review the institutions of social supply to ensure that they operate more efficiently and take needs into greater consideration. The social debate on a long-term conception of community and area development is now underway. The government will submit the guidelines thus shaped to the National Assembly at the beginning of next year. In this connection, an important change is that we will modify the councils' system of management beginning with 1986.

Simultaneous to working out the national economic plan for 1985, we continued to prepare the Seventh 5-Year Plan. As in this work we were already able to rely on long-term national economic planning, it will be possible to attain an outlook exceeding the medium-range plan period by at least 5 to 10 years. This outlook will concern economic, social, educational, demographic, and environmental protection issues of strategic importance. We have the capability of making use of all those results reached by scientific research work in shaping our future stand and in discovering the means of shaping the future. We will also take into account the proposals made by the planning and budget committee and by the comrade representatives taking the floor at the current session on the Seventh 5-Year Plan.

A wide range of international cooperation is taking place to coordinate the medium-range plans of the socialist countries belonging to CEMA. The first phase ended recently. It is reassuring in terms of the coming years that, based on the position of the high-level CEMA conference and on talks with the Soviet Union, our current import of major energy and raw materials can be maintained in exchange for the goods needed by our partners. In the second phase of the plan coordination starting now, we are endeavoring to further expand our economic relations based on mutual interests, and to thus make the conditions of our development more favorable.

We have endeavored to formulate the 1985 plan so that harmony between continuity and change will assert itself. Our economic situation is still difficult, but we are confident that the favorable trends of this year will continue. Based on this, the esteemed comrade deputies are now considering a plan and budget which provides greater tasks, which assumes a greater burden regarding our economy's modernization, and which promises more in easing our social problems. It is in this way that we wish to ensure unbroken development of our country and a flourishing Hungarian economy in the second half of the eighties.

On behalf of the MSZMP Central Committee and the government, I ask you to approve the draft bill and to support its implementation with your work.

TAXES RAISED ON ECONOMIC BODIES, AUTOMOBILES

LD021726 Budapest Domestic Service in Hungarian 1500 GMT 2 Jan 85

[Text] Tax regulations affecting economic associations have been modified, and private automobile road-fund license taxes have been raised. In accordance with changes in regulations affecting the income of enterprises, beginning 1 January the tax burden for independent and enterprise economic work collectives; special groups of industrial service cooperatives; and some economic associations with civil law contract rights has increased.

The association tax, payable after profit has increased from 3 to 6 percent, and the tax on small enterprises where the annual profit per capita exceeds 200,000 forints, has been raised to 12 percent.

Road-fund license taxes levied on privately owned diesel or gasoline-fueled automobiles with an engine capacity of over 1.5 liters has been raised on average by 25 percent, while taxes payable for trucks with trailers has been increased on average by 30 percent.

SMALL-SCALE FARMERS FACE SUPPORT CHANGES

LD291310 Budapest Domestic Service in Hungarian 1100 GMT 29 Dec 84

[Text] Support for small-scale agricultural producers will be somewhat modified next year. They will receive a 40 percent price discount for the purchase of certain equipment used in the cultivation of vegetables under plastic covers, and they can also purchase plastic frame structures at a discount. In the case of fruit, small-scale producers can obtain support if they grow their crops in a way which allows easy access from the fields of large farms, so as to help the work of specialist groups. Next year discount purchases of small agricultural machinery will cease; it will be necessary to pay about 10 percent more for this equipment.

TESTIMONY CONTINUES IN POPIELUSZKO TRIAL

LD022352 Warsaw Domestic Service in Polish 2130 GMT 2 Jan 85

[Report on Torun trial with defendant Leszek Pekala; questioners not further identified; all passages in quotation marks recorded]

[Text] Here is a solid report from another day of the trial concerning the kidnapping and murder of Father Jerzy Popieluszko. Today the court continued to compare explanations given by the accused Leszek Pekala during the investigation with those given before the court.

[Pekala] "I stress that during the entire journey to Bydgoszcz on 19 October 1984 we had various conversations among ourselves. However, they did not refer to whether anyone knew we were going on this operation. Besides, as I clarified earlier, Chmielewski and I were informed that the top knew about our actions. Who specifically knew about our operation and approved it is not known to me, because I never asked Piotrowski about it. As a rule, I am an inquisitive man, but in view of the fact that Piotrowski, in regard to all our actions on 13 and 19 October 1984, said that it was being done in strict secrecy, I never asked him for the names of those who approved our endeavors.

"As I remember during conversations among us -- Piotrowski, Chmielewski and myself -- while preparing for the actions on 13 and 19 October 1984, during the operations, and after performing them, Piotrowski said that he coordinated and reported to persons at the top. The name of Adam Pietruszka was mentioned by Piotrowski several items. This convinced me that Adam Pietruszka knew about our operations and accepted them. I was finally convinced about this when I talked to Piotrowski on Sunday, 21 October 1984 at about 2200 hours in my private car while we drank beer. Then he spoke, among other things, about creating false tracks and about my departure to Poznan in order to send an anonymous message from there. Piotrowski said that he had been asked several consecutive times if he was sure that the body would not be found. Then, certainly due to carelessness, he mentioned the name of Adam Pietruszka, adding that these questions made him laugh.

"I concluded from the conversation that he had reported our actions on 19 October and enquired about the false tracks with persons at the top, including Adam Pietruszka for certain. It transpired from Piotrowski's statement that there was another talk with Pietruszka and other persons at the top about our operation.

"Moreover, my conviction was confirmed when, before departing for Gdansk, I collected the car keys from Pietruszka on 12 October 1984 and he wished me good luck."

[Question] Let us call this quite an exact excerpt from the defendant's explanation regarding the question about those who might have known about the actions you undertook on 13 and 19 October 1984. Perhaps we could begin at the end, with the car. Did Piotrowski really mention Pietruszka on that occasion in that car; did he say he made a report of some kind to him on this action?

[Pekala] "Yes. He did not literally say that, but he did say he was asked about my going to Poznan and that, as it were, there was an agreement -- that was how I took it, unambiguously, that he was asked -- and on several occasions he was asked, Adam asked him whether (?the body) of Popieluszko could be recovered, and he certainly said that this amused him."

The court went on to ask about the details of the events that occurred following the abduction of Father Jerzy Popieluszko.

[Question] "Could the defendant now tell me, if he remembers and can recapitulate, the first time you placed a gag in the mouth of Father Popieluszko? Did he have one in his mouth when in the truck following the stop; was the gag inserted then, or not?

[Pekala] "Not exactly. (?I did not) once directly place a gag in the priest's mouth, but I have an image in my mind all the time of the priest, gagged from the beginning.

[Question] "So, as far as the defendant is aware, the gag was in the mouth of the priest...

[Pekala] "Yes.

[Question] "Before the departure from Torun, was the gag at that time already -- the defendant may perhaps recall and be able to recreate things -- in place with tape or in some other way?

[Pekala] "No, so far as I can remember, tape was only applied during the last stop in the woods.

[Question] "We have been speaking for hours in this hall about the (?beating) of Father Popieluszko, but I would like you to answer the question: What was the purpose? He was beaten at least three times. During the stop at Gorsk, then later in Torun, here in town near the Vistula, and then somewhere along the way outside Torun, after oil was purchased. Was it not so? When you were putting in oil, it spilled when the top of the container came off. What was the purpose?

[Pekala] "We wanted to arrive at the forest...

[Question] "The matter in question is the immobilizing of Father Popieluszko.

[Pekala] "Yes, so he simply wouldn't move, wouldn't kick up noise.

[Question] "And my second question. Could you tell me how long this all lasted? Seconds, minutes, hours? For I have noticed that those assembled here in the hall have the impression that this went for a whole 24 hours, while in reality...

[Pekala] "As I calculate it...

[Question] "Well, let us say in Gorsk. How long did it take, according to you, for Piotrowski to immobilize Father Popieluszko?

[Pekala] "It all happened quickly -- within 2-3 minutes, more or less.

[Question] "And here in Torun, on the Vistula?

[Pekala] "About 3-4 minutes, that is a little longer."

[Question] "The whole event?

[Pekala] "Yes.

[Question] "And then, later, when you took turns to try and subdue Father Popieluszko so that he would give you no trouble while you were transporting him in the direction of Wloclawek?

[Pekala] "There again it all took place quickly, I think also within about 3-4 minutes, no more, even 2 or 3.

[Question] "As you already told the court, you did not hit the priest even once at that time, is that right?

[Pekala] "I never hit the priest.

[Question] "Please tell us whether you saw Chmielewski hit the priest where you stopped in Torun.

[Pekala] "I am (?not) certain only regarding the time when we stopped him, but I am convinced that Chmielewski also did not hit the priest a single time. So our, including his, activity was limited to tying up the priest."

Next questions were asked by prosecutors; representatives of the ancillary plaintiffs -- Father Popieluszko's family and Waldemar Chrostowski -- as well as the defendant's counsels.

[Question] "In your opinion, would the execution of the ventures undertaken by you and the accompanying persons on 13 and 19 October have been possible without your participation?

[Pekala] "It's difficult for me to say. There was a time when Piotrowski wondered who else could possibly be brought into the operation and some candidates were mentioned, but I said, although I was a bit ill before the 19th and it was the wrong car, that I agreed to go to...It's difficult for me to say whether anybody would have been provided as a backup.

[Question] "Why did you take part in these acts, criminal acts, which are described in the act of indictment?

[Pekala] "It resulted from the lack of, well, from naivety; I believed without reason that what Piotrowski said about a man possibly dying was simply...well, I didn't even allow myself to consider that, really. I thought it was all excessive, unrealistic. Besides, I had this feeling -- which also cannot be verified now -- that somebody was following us and collaborating with us, that we were only a kind of phase -- to kidnap the priest and possibly question him about things he knew and to abandon him. Really, I only truly realized that the priest might die only on the 19th and...

[Question] "When on the 19th, at what instant?

[Pekala] "Well, when I heard "stones to the legs," that was when...

[Question] "Only then?"

[Pekala] "Yes. When the priest was so badly beaten, that was when it came to me that, well, the priest might really die. From then on I was powerless, I felt...It's difficult to describe, anyway, I flinched from opposing Chmielewski any more than we had been opposing him already.

[Question] "Did you consider the possibility of pulling out of the act, withdrawing from these activities?

[Pekala] "Only when we left the woods. For the first time I really thought that...

[Question] "After leaving the woods when the stones were already attached? Tell us so that we know which woods we are talking about.

[Pekala] "Yes, yes. When it was decided that we were going to look for a dam. I fully admit that I was simply obeying and that I could not bring myself to do more.

[Question] [Words indistinct] "Did the defendant hear or witness telephone conversations between the defendant Piotrowski and the defendant Pietruszka regarding the whole of the (?matter)?

[Pekala] "I was not a direct witness to either. The point is that on two or three occasions there were moments when Piotrowski was slow in coming to a decision and phoned, I think, Director Pietruszka. It was only later that he made a decision to, for instance, send out an anonymous letter or, for instance...

[Question interrupting] [Words indistinct] After the 19th, the things in question are conversations (?beforehand)?

[Pekala] "I did not hear, and this is quite certain, any specific conversation earlier, or in fact any conversation at all in which it was said that we were to travel on this or that day with someone.

[Question] "And how do you know that he phoned Director Pietruszka?

[Pekala] "This is what, at least, emerged from what Piotrowski said. I admit that he might have been pretending. Now I am not absolutely sure of this but at the time I certainly did get this impression.

[Question] "Let us now go over to the incident at the last stop at the dam. It was there that the defendant, together with Chmielewski, tied up Father Popieluszko in a particular manner. Who and when determined that this was how he should be tied up, in other words that the noose around the neck should be connected with the feet (?with the ends around the hands)?

[Pekala] "We did not agree on the method, but I remember that the thing was to tie the priest in such a way before the stop so he could not pry open the trunk. Basically this was just in case, because before the trip out to the woods he had not pried open the truck; he rather tended to be quiet. But...

[Question] "So this way of tying him up was not discussed and agreed upon before the journey out?"

[Pekala] "No.

[Question] "So, it was the defendant's own idea to tie him up this way?

[Pekala] "If you mean the noose, yes.

[Question] "During you discussion with Piotrowski, did he tell you or lead you to believe that he had instructions for the priest to die? Did he say he was given this task?

[Pekala] "As it emerged, he said there was no way back, that the priest had to disappear, that was what he said. But he did not say he had received such an instruction or order.

[Question] "And the (?defendant) gained the impression that he had received such an order?

[Pekala] "Yes.

[Question] "That this was the task with which he was entrusted?

[Pekala] "He didn't say that straight out, but he did say that the priest had to disappear, which wasn't so obvious, after all.

[Question] "On what basis did the defendant draw the conclusion that there was an instruction? That he had to disappear -- that was all he said, nothing more?

[Pekala] [Words indistinct] "to drive to the forest, to leave the priest, I don't know whether there was a decision. That was how I understood it.

[Question] "So, it was not Piotrowski's decision, but one he received earlier?

[Pekala] "So I guessed.

[Question] "On the basis of this statement.

[Second unidentified questioner] "This was what the defendant guessed?

[Pekala] "Yes, yes.

[Question] "You proposed, as I understand it, that the priest be left at that moment in the forest."

[Pekala] "Yes.

[Question] "(?To give him a chance to escape)?"

[Pekala] [Indistinct reply]

[Question] "I ask the accused: Why, in that case did you bind Father Popieluszko before that in such a way that every move he made actually caused him to choke himself? How did you imagine he could escape in this situation if he was left bound like that in the forest?

[Pekala] "Well, I imagined simply that at least the ropes would be (?untied) and that the priest would (?be left alive).

[Question] "In that case, did you say anything when the priest was bound in such a way? Did you say that he shouldn't be bound or did you possibly point out later that the rope should be (?loosened)?

[Pekala] "No, I was [word indistinct] I just wanted to drive into the forest and simply untie the priest.

[Question] "And did you frame that proposal distinctly in that way?

[Pekala] "Yes: to drive into the forest and set the priest free, definitely; there was a long discussion on the subject, for a minute at least.

[Question] "And then the reply came that he had to [words indistinct as Pekala interrupts] that he had to disappear. You, the accused, have put it this way: that at the moment you received the order to tie stones to his legs, you understood that a specific end was approaching and you recognized, or had the feeling, that something terrible had happened.

[Pekala] "Yes.

[Question] "But I put it to you that before that a series of facts had occurred: the kidnapping of two people, of course illegal; and the priest had been beaten several times.

[Pekala] "Yes.

[Question] "He had been bound in such a way that if he moved, he choked himself. You had taken a direct part in that. Did you not see anything terrible in that?

[Pekala] "I did, I (?was) [words indistinct]

[Question] "At what moment did you realize that you were taking part in a crime?

[Pekala] "Truly, I only realized during the final drive into the forest that it was no game, that there was perhaps nobody driving behind us who would take the priest away somewhere and save him, or, in the sense that we were alone and that the worst might happen. It was only in the forest that I realized that, although I was horrified earlier, of course, by the violence of everything and...

[Questioner interrupts] "I want to pause for a moment at the time when the priest was stopped in the locality of (?Gorki). This is the moment when Chrostowski was sitting in handcuffs and you, the accused, received a weapon from Piotrowski, with the information that the safety catch was off. You received the order: Watch him."

[Pekala] "Yes.

[Question] "What would you have done if Chrostowski had tried to escape at that moment?

[Pekala] "I would have tried to catch him, possibly, but... [questioner interrupts] "That is to say you assumed the possibility of not carrying out the order...

[Pekala interrupts] "Yes.

[Question continued] "Which you received from Piotrowski?

[Pekala] "Well, I definitely wouldn't have fired a shot, there's no doubt about that.

[Question] "In this case you, the accused, would not have carried out the order?

[Pekala] "I would not.

[Question] "But you carried out far more drastic orders.

[Pekala] "I don't understand.

[Question] "Well, putting on the noose; plaster over the mouth; gags. [passage indistinct] Would you not have carried out this order?

[Pekala] "Definitely not.

[Question] "[Word indistinct] but you did regard this instruction as an order to use a weapon should the eventuality arise?

[Pekala] "I viewed this, the way this was said, and its demonstrativeness, as a way of intimidating...

[Questioner interrupts] "Chrostowski?

[Pekala] "Yes.

[Question] "The next thing mentioned is that Chrostowski was to have been rendered unconscious, yes? There were even the attempts...

[Pekala interrupts] "Yes.

[Question] "Can you say whether or not what would happen after Chrostowski had been rendered unconscious was talked about?

[Pekala] "There were no detailed...

[Questioner interrupts] "It was not talked about?"

[Pekala] "Correct. Piotrowski simply said things would depend on the way the situation developed. I don't know, but in any case there was no mention of what would be done next.

[Question] "You, the defendant, have stated during interrogation and also told the court, that at a certain moment you felt you had been cheated. Can you say why?

[Pekala] "First, that things had come to this, that Piotrowski did not lead us right up to the end, if I can put it this way. Second, he had created a (?myth), that this had been a decision made higher up; and third, that he spoke of impunity during the whole operation. He certainly didn't say we would go unpunished if the priest was tortured, tormented, or something like that, but he created the illusion that this would be covered up.

[Question] "Perhaps you would like to recall the oath you took on entering the service.

[Pekala] "Yes.

[Question] "Does the defendant recall today the contents of this oath? I don't mean the literal contents, but its import. What did you promise at that time? What did you undertake to do?

[Pekala] "To serve the homeland, to defend law and order, security

[Questioner interrupts] "Did this oath also speak of observing the law?

[Pekala] "Yes.

[Question] "Thank you very much. What specific guarantees of security did the defendant Piotrowski mention? Be specific: What guarantees of safety were you to have? A change of names, of work, a trip abroad, a trip to another town -- that sort of guarantee? If something were to have started going wrong, what form was this to have taken?

[Pekala] "First, he said no one would interrogate us.

[Question] "Yes, I understand.

[Pekala] "Second, that he would take all the responsibility himself. Third, he also said that should the need arise, I at least -- later Chmielewski and I worked out that, after all, [words indistinct] should traces lead to me, I could change my name and place of residence.

[Question] "Do you regret your behavior? If you do, please say a few words about how you reached such a conclusion.

[Pekala] "Yes, I do regret it. I regret, simply, that I came to my senses too late and that I was, in fact, to put it this way, used. [Word indistinct] one can't say there was goodwill, because it was a sort of nightmare, but [word indistinct], in fact, I should have had enough imagination to realize that a man could actually die, that [pause] it unfortunately happened: simply, what cannot be reversed."

The accused was also questioned by Professor Maria Byrdy, called as an expert.

[Byrdy] "If, let's say, there was a gag put in the mouth?

[Pekala] "Yes.

[Byrdy] "Was it sticking out of the mouth?

[Pekala] "Partly, yes.

[Byrdy] "And you also put tape over that gag, on the mouth?

[Pekala] "Yes.

[Byrdy] "And, in relation to the nostrils, how near was the tape?

[Pekala] It's hard for me to say because I did not stick the tape on, but I don't think the nostrils were covered.

[Byrdy] "How did it all fit above the mouth?

[Pekala] "It was wound aroud two or three times.

[Byrdy] "Right around?

[Pekala] "Yes, right around.

[Byrdy] "Around the neck?

[Pekala] "Behind the head.

[Byrdy] "And was there not then a sort of sound such as there is when one has a cold and blows one's nose, as if there was constantly something making a bubbling noise in the nose? Was there anything like that?

[Pekala] "I don't think the priest made any sound at all at that point.

[Byrdy] "Well, the priest may not have made any sounds, but in the breathing process, the air creates just such a sound.

[Pekala] "I didn't touch the priest's face, (?either).

[Byrdy] "How was Father Popieluszko thrown out at the dam, over that barrier? Was it by all three at the same time?

[Pekala] "Yes.

[Byrdy] "At the same moment?

[Pekala] "Yes."

[Byrdy] "As if to a command, that was how you threw the body?

[Pekala] "Yes. [word indistinct]

[Byrdy] "Was the head first of all hanging over; then the [word indistinct] then the legs?

[Pekala] "I think [Byrdy interrupts] "Was it like that or was it otherwise?

[Pekala] I think the priest fell horizontally into the water; that is to say... [Byrdy interrupt] "That all of you at the same time...

[Pekala interrupts] "Yes.

[Byrdy] "As to a command, at the same time, you made a movement of throwing. Yes?

[Pekala] "Yes."

The next accused, Waldemar Chmielewski, began to give explanations to the court.

[Question "Does the accused understand the charges made against him in the act of indictment? Do you?

[Chmielewski] "Yes.

[Question] "Do you plead guilty to having committed the acts as charged or to any one of those acts, one by one?

[Chmielewski, stuttering] "I plead not guilty to (?the charge as it stands). I plead guilty to having taken part in Father Popieluszko's kidnapping and in Waldemar Chrostowski's, and that at that time, precisely at the time of those actions, Father Popieluszko's death occured. I also plead guilty to having taken part in an attempt to cause a traffic accident. I plead not guilty to the charge in general that I intended to murder anybody. And I plead not guilty to the charge concerning particular cruelty.

[Question] "Have you a permanent speech impediment or has it been brought about by this situation?

[Chmielewski] "No. Yes.

[Question] "Pardon?

[Chmielewski] "This has appeared following all this."

The defendant Waldemar Chmielewski continued his testimony by saying that he had learned about the plan to kidnap the priest from Grzegorz Piotrowski, and had taken part in the preparations, among other things by suggesting that the priest be intimidated in a bunker [words indistinct], and by gathering articles required for the kidnapping. Then, he described the period prior to 13 October when, according to his words, Pekala and he were offered days off by Piotrowski so that everything could be prepared. That was, for example, when he and Pekala stole the registration plates to be used later. Chmielewski completed his testimony, which corresponded with what Pekala had said earlier but contained more detail, by describing their departure for Gdansk and preparations to attack the car which was bringing Father Popieluszko from there.

At that point, the court ended today's session. The trial continues tomorrow.

The report was prepared by Marek Kassa and Zbigniew Krajewski.

MINISTRY SPOKESMAN ON JURISDICTION, PRESS AT TRIAL

LD022002 Warsaw Television Service in Polish 1830 GMT 2 Jan 85

[Text] During a break in the Torun court proceedings, a television news reporter interviewed Ministry of Justice Press Spokesman (Andrzej Tubala).

[Begin recording] [Unidentified reporter] Judge, viewers are interested in this question: Why is the trial being held here in Torun, instead of Warsaw, for instance?

[Tubala] The trial is being held in the Torun Voivodship Court because this court is the correct one to hear the case, by reason of locality. In other words, the crimes were committed in the area under the jurisdiction of the Torun Voivodship Court and therefore this court, and not the court in Warsaw, is the correct one to hear this case. The Torun court is simply the competent one.

[Reporter] [Word indistinct] there is very great interest indeed in the trial. How is press coverage organized?

[Tubala] The Torun Voivodship Court undertook organizational measures designed to give efficient coverage of the trial, from the press' point of view. In connection with this, it issued the appropriate passes because the courtroom, the largest one in Torun Voivodship, has a limited capacity. About 100 passes were issued and, in view of this, not all journalists were accommodated. I have in mind press, radio, and television journalists, but the following situation was assured: Western television crews covered the beginning of the trial and our Polish television provides daily reports on the trial, as does the radio and the daily and weekly press.

[Reporter] How do you assess Polish and foreign reporting on the trial?

[Tubala] Well, the reporting [word indistinct] is very broad, because there are about 40 journalists in the courtroom. There are also Western and socialist journalists, a dozen or so. Reporting is not always objective; I am thinking here of Western journalists. They do not always simply convey the significance of the course of the trial or report faithfully. They would simply like to see what is not always taking place in the courtroom. Let's hope that this method of reporting will change in the remainder of the trial. [end recording]

PAPERS REPORT ON VISIT BY ITALY'S ANDREOTTI

Talks Summarized

AU282006 Warsaw TRYBUNA LUDU in Polish 24-26 Dec 84 p 2

[PAP report: "Italian Foreign Minister Ends His Visit to Poland"]

[Text] According to information received by PAP, the talks held during Minister G. Andreotti's visit to Poland were devoted to the most important problems of the present international situation and to the prospects of Polish-Italian relations in all spheres.

The sides expressed their concern for the present tension in the international situation, especially in East-West relations, and stressed the need for checking the arms race, lowering tension, and returning to the policy of detente. One way to do this is to promote cooperation in all spheres in the spirit of mutual benefit and without discrimination.

The sides acknowledged with satisfaction the announcement that Soviet Foreign Minister A. Gromyko would soon meet with Secretary of State G. Shultz to discuss the issues of nuclear and space armaments.

Poland and Italy supported a treaty on banning the militarization of space and the production and spread of chemical weapons.

The Polish side stressed that the present tension in international relations and the efforts to boost the arms race, especially in Europe, are the fault of the United States, which continues to follow the policy of confrontation and strength and to seek to upset military equilibrium in the world and locally, including Europe. The Polish side noted that the balance of power must remain an undisputed foundation of peace in Europe and the world. It stressed that the peaceful initiatives of the socialist states had been clearly reaffirmed by the most recent conference of the Warsaw Pact foreign ministers and noted the significance of these initiatives for checking the arms race, improving the international situation, and returning to the policy of detente.

Reviewing the international situation, the two ministers noted the dangerous aggravation of tension and conflicts in various regions of the world and expressed the hope that they would be solved by peaceful means.

Discussing the European situation, the two sides agreed that the continuation of the CSCE achievements was especially important for detente and peace. They acknowledged with satisfaction the progress of the Stockholm conference and positively appraised Finland's proposal that the 10th anniversary of the Final Act should be worthily honored.

The Polish side stressed most strongly the inviolability of the territorial-political reality that has developed in Europe as a result of the Yalta and Potsdam Agreements and postwar development. They noted that attempts to undermine that reality are a threat to Europe as a whole and to the policy of East-West dialogue and dentente.

Discussing Polish-Italian relations, the two sides expressed their satisfaction with the positive development of these relations and confirmed their resolve to fully normalize them and promote their development in all spheres.

The two sides noted the present opportunities for expanding mutual government and parliamentary contacts, as well as those between the political parties and social organizations, including youth organizations.

The two sides positively evaluated their economic cooperation but noted that considerable unused opportunities exist to enrich and expand this cooperation to mutual advantage. They acknowledged with satisfaction the decisions made by the joint Commission for Economic Cooperation with regard to economic cooperation, the tightening and development of which will be possible after the present barriers against it have been overcome. A return to normal fiscal-credit relations would be of great help.

The two sides expressed their satisfaction with the signing of the 5-year accord on economic cooperation and with the protocol on intensifying industrial cooperation in third markets.

During their talks the sides positively evaluated their scientific-technological and cultural cooperation and exchanged letters concerning the establishment of the Polish Cultural Institute in Italy and the Italian Cultural Institute in Krakow. G. Andreotti invited Minister S. Olszowski to pay an official visit to Italy. The invitation was accepted with pleasure.

Olszowski Speaks at Dinner

AU281305 Warsaw RZECZPOSPOLITA in Polish 21 Dec 84 p 2

["Summary" of speech by Foreign Minister ~~Stefan~~ Olszowski at 20 December Warsaw dinner in honor of Italian Foreign Minister Giulio Andreotti]

[Text] The significance and eloquence of your visit are important, because it has opened a new phase in our relations and because it has a crucial international dimension.

In your person we are hosting an outstanding statesman of the great Italian people, with whom we have bonds of affection and friendship, which have been forged by our cultural ties over many centuries and which have been symbolized by many prominent scientists and men of letters who have studied in Poland and Italy, and have been inspired by our two countries. Warsaw, Torun, and Krakow, which you will honor by your presence, have preserved many monuments attesting to the intensity of Polish-Italian contacts in the past centuries. Canaletto painted Warsaw. His pictures, which faithfully reflect the beauty, character, and architectural details of Warsaw, were of invaluable service in our national task of rebuilding our capital after it was so barbarously ruined. Our great writer Jaroslaw Iwaszkiewicz wrote "The Travels in Poland" as well as "The Travels in Italy," which is an intellectual guide to old and new Italy. Our peoples were also united in their struggles for freedom and independence, beginning with the 18th century through modern times, when the name of Monte Cassino forever found its place in the history of our Armed Forces.

We wish that Polish-Italian relations, based on such foundations, be adapted to the complicated requirements of the present times and bypass the obstacles created by seasonal upsets.

I stress with appreciation that, thanks to your personal efforts, Polish-Italian contacts have increased considerably in the past year. State Council Chairman Henryk Jablonski had an important meeting with President Sandro Pertini. Vice Premier Roman Malinowski, chairman of the ZSL, paid a fruitful visit to Italy. Our talks in Madrid, Stockholm, New York, and New Delhi were constructive and to the point. We have signed new accords on cultural and scientific-technical cooperation and our ministries have had their consultations.

I am convinced that as a result of your visit and our talks, the traditional cooperation between our countries will acquire new qualities. Poland is vitally interested in raising the significance of its contacts with Italy in many regards. Our economic cooperation offers many opportunities which have still not been exploited. The 5-year accord on economic cooperation and the protocol on deepening our industrial cooperation in third markets should help enrich the economic relations between our countries.

We are also interested in developing our cooperation in culture and science. I think that this task will be greatly helped by the establishment of the Polish Cultural Institute in Italy and of the Italian Cultural Institute in Krakow, in addition to the present institute in Warsaw. We support invigorating contacts between Polish and Italian politicians and between Polish and Italian cities, the universities of which already have traditional ties.

Our talks which we have begun today have reaffirmed the importance our governments attach to developing mutual relations and dialogue for the benefit of our people and in order to consolidate the relations of peace in Europe.

We have met here at an extremely complicated point in time, which is important for our continent and its security and peaceful future.

Poland and Italy belong to different political-military groups, but I think they share anxiety for the most important issue -- the fate of detente and peace. This anxiety is justified, unfortunately.

The policy of confrontation and the forced implementation of new nuclear and conventional armament programs on land, at sea, in the air, and in space, which are designed to obtain superiority over the USSR and the Warsaw Pact countries, have become a source of dangerous tensions in international relations. The deployment of U.S. medium-range missiles in Western Europe has seriously complicated the situation on our continent and has shaken our sense of security. This new and dangerous situation has encouraged the revisionist forces which seek to change the territorial-political order of postwar Europe.

We take the view that the most important and urgent task at present is to tame the arms race, especially the nuclear arms race, and patiently search for negotiated solutions to guarantee peaceful coexistence among all countries and peoples on the basis of equal security and a balance of power at the lowest possible level.

Together with its allies, Poland continues to search for solutions to promote peace and security in Europe. We think that a return to the climate of trust in Europe could be promoted by effective negotiations on the Warsaw Pact proposals to the effect that a treaty should be concluded on the nonuse of military force, on maintaining peaceful relations, on freezing nuclear armaments, on not increasing military expenditures and reducing such expenditures, and on freeing Europe from nuclear and chemical weapons.

Opportunities for improving the international situation exist. We attach great hopes to the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe and to the entire CSCE process and its continuation.

It was in this spirit and with this hope that we welcomed Soviet-American accord on negotiations on the issues of nuclear and space armaments and the announcement that Minister A. Gromyko will meet Secretary of State G. Shultz.

"Poland is ready," Premier W. Jaruzelski said, "to help strengthen the conditions for a peaceful development of Europe and the world." In line with this, we actively participate in the talks in Stockholm and Vienna because we are inspired by the conviction that it is possible to achieve an accord. We support worthily honoring the 10th anniversary of the CSCE Final Act, all the more so since this act was a result of the resolve of all its signatories and since we are convinced that the stability of Europe's territorial-political order is the guarantee for the continent's peaceful future.

The past 4 years have been a period of difficult trials for Poland. Disregarding our mounting difficulties, we have made great efforts to promote socialist renewal, national agreement, and deep reforms of our state and economic life.

The line of socialist renewal is winning the ever increasing acceptance of our people and has become the foundation of stability, which is necessary if we want to solve our difficult economic and social problems.

Consistently implementing the aims of our domestic policy, we continue to develop relations with all countries, regardless of their political systems. We have friendly and allied links with the socialist countries. Our relations with the nonaligned countries are developing favorably. Some of these countries are our valuable partners, who understand Poland's interests. Our political contacts and economic and cultural cooperation with the neutral countries in Europe continue to develop favorably.

We also wish normal cooperation with all the Western countries, despite some of the bitter experiences of the recent past. However, the generally accepted principles of international life and sovereignty must be respected. Nor must there be any interference in the internal affairs of other countries. In addition, all forms of discrimination, restrictions, and economic blackmail must be abandoned once and for all.

Conscious of their historical ties and resolved to cooperate, Poland and Italy can make joint contributions to the constructive dialogue of detente and peace on our continent. We are interested in Italy's efforts to improve East-West relations. There are great opportunities for cooperation aimed at implementing these goals in the interest of our two people's favorable future.

PZPR PLENUM ADOPTS RESOLUTION ON INSPECTORATE

AU021114 Warsaw TRYBUNA LUDU in Polish 29-30 Dec 84 pp 1-2

[Resolution adopted by the 18th PZPR Central Committee Plenum in Warsaw on 22 December: "Concerning the Appointment of a Worker-Peasant Inspectorate"]

[Text] 1. The PZPR Central Committee, consistently implementing the line of the ninth congress and guided by the need to further develop socialist democracy and consolidate dictatorship by the proletariat and the political principle of people's authority, regards it as purposeful to appoint a Worker-Peasant Inspectorate in accordance with the idea formulated at the 13th Central Committee plenum and confirmed by the National Conference of PZPR Delegates and the 16th Central Committee plenum. This is a further sign of our party's worker orientation, and of its desire to combat social evil more and more effectively and implement the working people's right to directly control the phenomena surrounding them.

2. The PZPR Central Committee approves the Politburo's "Report on the Results of Consultations and Reasearch Work Concerning the Worker-Peasant Inspectorate" and the "Ideological-Political and Organizational Principles for Appointing the Worker-Peasant Inspectorate."

3. The PZPR Central Committee praises the enormous dedication of social controllers during work so far, as well as the high energy of PZPR voivodship committee teams involved in paving the way for the Worker-Peasant Inspectorate.

4. The PZPR Central Committee regards it as essential that successive bodies of the Worker-Peasant Inspectorate be created and that this activity take the form of a social process, with adherence to the principle of the inspectorate taking a unified national shape.

5. The PZPR Central Committee will commit:

-- all party organizations and cells to create a climate conducive to effective social control and to a full use of the conclusions stemming from it. For work inside control groups of the inspectorate, party organizations should recommend people with high ethical values who enjoy presitge among their milieus;

-- all party organizations and members inside units subjected to control to assist the control groups from the Worker-Peasant Inspectorate in the performance of their duties;

-- primary party organizations inside units subjected to control to immediately acquaint party members with the results of the controls and cooperate with the unit managements in order to remove the discrepancies revealed;

-- party cells at all levels to exercise political supervision over the work of the Worker-Peasant Inspectorate, point out to control groups the phenomena that are a subject of social criticism in a given area, and analyze the results of the controls and use them when assessing the functioning of enterprises, offices, and managerial cadres.

6. The PZPR Central Committee asks the people's councils, workers and local self-management bodies, and trade unions to closely cooperate with control groups from the Worker-Peasant Inspectorate, support their activity, and assist in the performance of conclusions stemming from the controls.

7. The PZPR Central Committee asks the heads of ministries and central institutions, including the law-enforcement bodies, to make sure that the units under their command cooperate effectively with the Worker-Peasant Inspectorate in the performance of post-control conclusions, and that they support the inspectorate's activity in the field.

8. The leaderships of all bodies of vocational control should closely cooperate with the Worker-Peasant Inspectorate and render it assistance in the performance of control. tasks.

The PZPR Central Committee expresses the conviction that energetic participation by citizens in social control will raise the effectiveness of the struggle against social evil and injustice.

CEAUSESCU ON EAST-WEST RELATIONS, OTHER TOPICS

AU011700 Bucharest SCINTEIA in Romanian 30 Dec pp 1-7

[Interview granted by President Nicolae Ceausescu to Antonio Ferrari, special correspondent of the Italian daily CORRIERE DELLA SERA, on 22 December]

[Text] Question: Mr President, although a somewhat slight hope exists, the international situation continues to be very serious. The arms race continues. How do you envisage a way out from this situation? What should have been done to overcome the so-called "bloc policy"? What will happen next year when the Warsaw Pact's validity expires? What is Romania's position in connection with the new treaty?

Answer: The international situation has reached an extremely tense stage that has increased the danger of a new world war, which inevitably would turn into a nuclear war, leading to heavy losses and endangering human existence itself and life on our planet. The causes of this tense situation are multiple. But one can state that this tension is the result in particular of a desire and actions to maintain and even strengthen the spheres of influence and to continue and further expand the arms race, particularly the nuclear arms race.

According to official statements by the two sides themselves, the existing nuclear arsenal can destroy all of mankind several times over. Under these circumstances, the question of a lack of balance in the ratio of forces cannot be considered a reality. As a matter of fact, there is a relative balance, but some are not content with it and would like to have absolute supremacy, this resulting in an intensification of the arms race, an increase of mistrust, and a deterioration of the international situation.

Under these circumstances, it is necessary to end the arms policy, to renounce the wish for, or claim to, world supremacy, and to start from the need to achieve a balance between the two sides, based on a reduction of the existing armaments to the lowest possible level. To continue arming, with the excuse of achieving a balance, will in reality only lead to a situation which can trigger a nuclear war at any time. In this respect, certainly the major role is played by the two great powers, the United States and the Soviet Union. But, at the same time, there are also the two military blocs, NATO and the Warsaw Pact, which are directly engaged in this arms race and bear a great responsibility for the serious international situation.

I mention this because we believe that the countries within the two military blocs should assume a greater responsibility and should act in accordance with the interests of their people, of Europe, and of the world, to live in peace and cooperation.

Romania, like all the Warsaw Pact member-countries, has repeatedly spoken out for a simultaneous dissolution of the two military blocs. We believe that in the present serious situation, surmounting the "bloc policy" and eventually dissolving the blocs are essential for Europe and for a policy of detente, disarmament, and peace.

We are fully aware of the fact, that in order to achieve that, confidence-building measures and increased cooperation among European countries, based on new principles of equality, respect for national independence and sovereignty, and noninterference in domestic affairs, are required.

In fact, in Europe there are two big groups of countries with different social systems. Proceeding from the principles of peaceful coexistence, we must do everything to establish new relations of cooperation among countries with different social systems in Europe.

Let us prove in actual fact -- as is actually happening in relations among several countries -- that a united Europe can and should be achieved, through respect for the system of each country, for its independence and sovereignty, and noninterference in domestic affairs.

As I have already mentioned, we must take action for the concomitant dissolution of the two military blocs. The sooner we achieve it, the better for Europe and for the entire peace policy.

With regard to the validity of the Warsaw Pact, indeed, next year the period for which it was established expires. Nevertheless, since no agreement has been reached for the concomitant dissolution of the two military pacts, a unilateral decision to dissolve the Warsaw Pact cannot be made. This would not contribute to the policy of detente, disarmament, and peace; this could be seen by some as a policy or measure denoting weakness, and might prompt them to rash actions, if I may say so. This is why the Warsaw Pact member-countries intend to extend the validity of the treaty. Romania believes that such an extension is necessary under current circumstances. However, on this occasion we wish that the decision of the Warsaw Pact member-countries to do everything possible for disarmament, peace, and the simultaneous dissolution of the two military blocs be reiterated most clearly. Thus, we will constantly work along these lines.

Question: Today, on the eve of the Gromyko-Shultz meeting, what are the prospects for a nuclear balance in Europe? In this context, in your opinion, what would be the role played by the European countries, including Italy?

Answer: As is well known, the break in the Geneva negotiations between the Soviet Union and the United States took place in the fall of 1983, as a result of the deployment of the American missiles in some West European countries, including Italy. This fact brought about the nuclear countermeasures by the Soviet Union in some European socialist countries. All this created a particularly serious situation on our continent and led to greater tension in international relations.

In a way, one can state that the highest level of tension has been overcome and there is a concern to resume negotiations and to solve the serious problems of the international situation, primarily those of nuclear disarmament, through these negotiations. However, these are just concerns -- which is a good thing in itself -- but no measures have yet been adopted that can halt the dangerous course of events.

Therefore we, like other European peoples, highly value the meetings between the foreign ministers of the Soviet Union and the United States, Gromyko and Shultz, early next year. I can say that all European peoples expect this meeting to result in a resumption of negotiations with a view to halting the arms race, and generally speaking all nuclear arming, particularly in Europe, and to reduce these weapons.

We believe that particular attention should be paid to European problems. I believe that everything should be done to halt the deployment of American missiles and Soviet nuclear countermeasures and, based on negotiations between the sides, to eliminate the missiles already deployed so far and eventually to eliminate all nuclear weapons from Europe.

I would like to emphasize that to continue to deploy new nuclear weapons in Europe would actually mean to use the negotiations as a screen to lessen the concern and struggle of public opinion for disarmament and peace, and that would be a very dangerous thing.

At the same time, we believe that appropriate agreements should be reached on nonuse of outer space for military purposes, since outer space should in no way endanger the security and peace of any people.

Proceeding from the fact that the main nuclear armaments are in Europe, where the new missiles and weapons are also being deployed, we believe that the European countries, primarily those belonging to NATO and the Warsaw Pact, must work with greater resolution and responsibility to conclude an appropriate agreement as soon as possible and, until such an agreement is signed, to halt the deployment of new nuclear weapons on the continent.

We advocate a meeting between countries belonging to the two military pacts; proposals along these lines have already been advanced by the Warsaw Pact member-countries. Such a meeting should discuss problems pertaining to disarmament and confidence-building measures in Europe as well as nuclear weapons and should directly contribute to reaching appropriate agreements between the two great powers. In this respect, Romania and Italy, together with other countries, can play an important role and work for this goal.

As you mentioned Italy by name in your question, I believe that Italy would make a very important contribution if it were to halt the deployment of new nuclear weapons on its territory and act to bring about the withdrawal of those already deployed. As a matter of fact, I have said on several other occasions that all countries on whose territory nuclear weapons were deployed and which permit the deployment of such weapons on their territory are assuming a great responsibility both for their own peoples and for the whole of Europe and world peace.

Therefore, we believe that the European countries must act in accordance with the will and aspirations of the European peoples to proceed to disarmament, renounce nuclear weapons, and promote broad cooperation, in the spirit of the Helsinki decisions.

Question: The situation continues to remain "hot" in the Middle East. What concrete steps should be taken to solve the problems in that anguished part of the world?

Your country is the only socialist country in Europe which maintains diplomatic relations with Israel. Thanks to these relations, what role was Romania able to play in the Middle East?

Answer: Indeed, the Middle East situation continues to be serious. A new war could break out at any time, with most serious consequences.

Romania has always spoken out and worked for a solution of the Middle East problems through peaceful negotiations. We have always said that Israel should withdraw from the territories occupied in the wake of the 1967 war and that the Palestinian people's problem should be resolved on the basis of their right to self-determination, including the creation of an independent Palestinian state.

All military actions that took place in the Middle East, including Israel's military actions in Lebanon, have only aggravated and further complicated the situation. The Middle East problems can in no way be solved by military means.

Proceeding from this, we believe that one should organize an international conference on solving the Middle East problems, with the participation of all interested countries, including the PLO, and with the participation of the Soviet Union and the United States or, as the relevant UN decision stipulates, of all permanent members of the Security Council.

I believe that all, and primarily the European, states should show greater concern and initiative in order to contribute to rapidly solving the Middle East problems.

In this spirit, Romania will continue to act, as it did thus far, to reach a just and lasting peace in the Middle East, a peace that can guarantee the existence of all states in that region and develop new relations of equality on the basis of goodneighborliness among all those countries.

Question: In your opinion, have the principles sanctioned by the Helsinki conference been fully applied? Are these principles -- whose 10th anniversary will be marked in 1985 -- still valid?

Answer: The Helsinki conference was very important for ending the "cold war" period and promoting a policy of detente. However, we must openly state that the commitments assumed by the signatories of the Helsinki Final Act have not been fulfilled. I would like to stress that, in my opinion, we have made a great mistake in believing that by the mere signing of a document we have achieved detente and cooperation in Europe. Of course, the document as such has laid a legal foundation for detente and cooperation. But we must constantly act to implement the provisions of the Helsinki document. Therefore, one can state that due to failure to act accordingly, many of this document's provisions were not implemented and a new state of tension has been reached in Europe as well as throughout the world.

The Stockholm conference is now underway. It aims at reaching an agreement on developing trust and cooperation and bringing about disarmament in Europe and, hence, implementing some of the basic provisions of the Helsinki document. We would like this Stockholm conference to conclude with good results; we should do everything to strengthen trust and cooperation among European countries, bring about disarmament, and build a united Europe, and I stress once more, a Europe based on equality, mutual respect, and noninterference in domestic affairs. It is in the interest of European peoples that everything should be done to prevent the outbreak of a new war in Europe, so that our continent can concentrate its forces on promoting socioeconomic development and raising the people's living standard and can actively contribute to overcoming certain serious international economic problems, such as eliminating underdevelopment and establishing a new world economic order. In this respect, as well as in the efforts to ensure peace, Europe can and must play a more important role and assume an active responsiblity.

Question: Like other countries, Romania has also been affected by the difficulties caused by the overall economic crisis. In spite of all this, your country has managed to substantially reduce its foreign debt. What measures did you adopt to achieve this result and how do you view the future orientations of the Romanian economy under these conditions, which are undoubtedly anything but easy?

Answer: Last August we celebrated the 40th anniversary of the antifascist and anti-imperialist revolution for social and national liberation, which has opened a new era for Romania's free and socialist development. On that occasion I presented in detail Romania's achievements in this period. I would just like to mention several figures: Industrial production has increased by more than 100 times; agricultural production by about 7 times; and the national income by about 32 times. On this basis, we were able to make great changes in socioeconomic life as a whole. Romania has turned from a poorly developed country of a predominantly agrarian nature into an industrial-agrarian country with a modern industry and a socialist agriculture in full development. We were also able to strongly increase the people's living standard.

Of course, we had to overcome many difficulties. I must admit that we have also made a number of mistakes, but on the whole we have managed to overcome these hardships, correct certain mistakes, and thus ensure the country's strong development.

Regarding the development in the first part of the eighties, or, as we say, in the Seventh 5-Year Plan, the 1981-85 period, Romania also had to face certain hardships created by the world economic crisis and by certain incongruities and contradictions in our economic development. This has required certain measures to overcome these difficulties and their negative economic impact. First, we paid particular attention to strongly developing the energy and raw materials base by making use of domestic resources. We adopted measures to resolutely reduce energy and material consumption and introduce new modern technologies. Likewise, we took measures to strongly cut down imports, by using domestic resources to a larger extent, as I have already said, and by producing certain items that we used to import in the past.

Through all these measures, we managed to further develop the Romanian economy. In the first 2 years, that is in the 1981-82 period, we attained an annual industrial production growth rate of 2.7-2.8 percent. In 1983 we had already attained a growth rate of 4.7 percent, which is a good rate under the present international economic conditions. This year, we will probably achieve an industrial development rate of approximately 7 percent. This fact alone proves that the Romanian economy succeeded in coping with and overcoming the serious world economic situation and our own domestic difficulties and continued to develop in all spheres.

We have also scored a number of victories in agriculture. This year we have achieved a grain yield of more than one metric ton per capita, which is an important achievement for Romanian agriculture.

We have laid and continue to pay particular emphasis on improving the qualitative and technical level of production and raising labor productivity and economic efficiency and profitability.

Indeed, we had to make serious efforts. However, I would like to mention that we managed not only to maintain the living standard attained in 1980 but also to increase real pay by 6 percent by 1984. Next year, through the measures adopted, the real remuneration increase of all categories of working people will be 8 percent. Consumption has also increased accordingly. Pensions were also increased as well as social expenditures which, in Romania, play a very important role in the policy of raising the living standard. We have continued to achieve a large volume of housing construction as well as of other social establishments -- such as in medical and education institutes -- which also play a very important role in raising the people's living and cultural standards.

We have thus managed to overcome difficulties while also raising the people's living standard. We consider this as a very important achievement, particularly in view of the fact that the living standard of the working people in many, including the developed, countries has been reduced considerably in this period.

At the same time, we have promoted our economic development without reducing jobs. On the contrary, we created more than 200,000 new jobs in this period while, as is well known, the number of unemployed people in many, particularly the developed, countries has topped 30 million.

I stress all this in order to emphasize that we have always been and continue to be concerned with ensuring Romania's ceaseless progress and increasing the people's overall well-being.

I would like to stress that we continue to attach great importance to international economic relations. Indeed, we have substantially reduced our foreign debt, and we are determined to liquidate it as soon as possible. At the same time, we act and are determined to do everything possible to further develop international relations and production sharing both with the socialist countries and with the developing countries and the developed capitalist states. We believe that the enhancement of international economic relations, obviously on the basis of principles of equality and mutual advantage, can play a most important role in overcoming economic hardships and ensuring each people's socioeconomic progress.

Our party's 13th congress has adopted a new 5-year plan until 1990 as well as certain future guidelines until the year 2000. We are determined to do everything to continue the process of turning Romania into a comprehensively developed socialist country. We have a good foundation for this goal. In the future, we plan to lay greater emphasis on intensive development in industry and agriculture and to give priority to qualitative and technical parameters, so as to be competitive with the best products at the international level.

We believe that under normal conditions, primarily peaceful conditions, we have everything necessary to implement these provisions, which will require further steady efforts on the part of all our people. I am referring to efforts regarding work and better technical and professional training; this is a prerequisite for any people who wants to ensure an ever more dignified, free, and independent place for itself in the world.

Along with the country's overall development and the increase in the national income, we plan to adopt new measures to raise the living standard. For example, by 1990 we plan to build another 750,000 apartments for the people, which will allow us to solve almost completely the housing problem in Romania. As a matter of fact, any visitor to our country can see for himself -- not only in Bucharest, but in all the country's localities -- the pace of our construction and the attention we pay to ensuring better living conditions for all the people. We have always proceeded from the fact that socialism and everything we are building in Romania must serve the people directly and must ensure their well-being, independence, and sovereignty.

Question: Mr President, what is the current stage and what are the future prospects of Romanian-Italian relations?

Answer: There are long-standing relations of cooperation between Romania and Italy; I can say that there are long-standing traditions and many affinities between us, in view of the common Latin origin. After World War II, particularly in the past 15-20 years, the relations between Romania and Italy have developed strongly. Economic exchanges have increased and many production-sharing ventures have been completed. The level of our relations has remained stable even in the years of world economic difficulties; which I consider as a good thing. We have concluded new cooperation agreements in important fields, which has ensured conditions for further raising the level of our economic ties.

In spite of all this, I believe that more can be done and that there are still many opportunities to strongly intensify and develop economic exchanges, including production sharing. I also believe that we can do more to develop cooperation in science and culture, which are important factors for relations among peoples, particularly the relations between the Romanian and Italian peoples.

We also cooperate well on many international issues. As I have previously mentioned, we believe that in the current circumstances in Europe and the world, our countries should cooperate more actively for a policy of disarmament and peace and for broad cooperation among countries in Europe and throughout the world.

In conclusion, I would like to extend best wishes for prosperity, well-being, and peace to all your newspaper's readers and all the friendly Italian people. Of course, I also wish for good cooperation between Romania and Italy.

STEFAN RAB SPEECH TO HUNGARIAN, GERMAN COUNCILS

AU011821 Bucharest SCINTEIA in Romanian 28 Dec 84 p 2

[Speech by Stefan Rab, first secretary of the Covasna County party committee, to the joint plenary session of the Council of Working People of Hungarian and German Nationality held in Bucharest on 26-27 December]

[Text] Much esteemed and beloved Comrade Nicolae Ceausescu, esteemed comrades, our plenary session is taking place on the eve of a year of exceptional significance in our political activity, the year in which we celebrated the 40th anniversary of the antifascist and anti-imperialist revolution for social and national liberation and the year of the 13th party congress, a cornerstone in our country's history. These events were honored by all Romanian citizens, irrespective of nationality, with great enthusiasm, in an impressive unity around the party and its secretary general, and with deeds worthy of our homeland's socialist present.

This unshakable cohesion of our people is also clearly reflected in the creative fervor with which the communists and all working people in Covasna County are striving to fulfill the tasks devolving up on them under the current 5-year plan and under the historical decisions of the 13th party congress. Inspired by your mobilizing appeals, much esteemed Comrade Nicolae Ceasescu, and voicing their profound satisfaction and boundless joy with which all our nation welcomed the congress decision to reelect you to the supreme party position, the working people in Covasna County are acting with all their energy and skill to implement the goals put forward by the great forum of the communists in our country. Much esteemed Comrade Secretary General, we can report to you that to date our county's enterprises have achieved over plan industrial production worth some 350 million lei.

We are fully aware that we still have many things to do to raise the level of our activity to meet the standards of communist exactingness set forth by the congress. In the spirit of recommendations made by yourself at the recent meeting of the Political Executive Committee of the RCP Central Committee, we act with great determination to achieve perfect order and discipline and to strengthen responsibility and communist exactingness in all areas.

We focus our political-educational activity on developing socialist, ideological, and professional awareness, revolutionary socialist patriotism, and on the love toward the party, homeland, and people. Taking into account the fact that more than 42 percent of the working personnel in our county are young people, we act especially to improve their awareness, to instill in them respect for and appreciation of the great achievements of our revolution and socialist construction, and to promote the bright traditions of the struggle for freedom, justice, and progress waged by our working people -- Romanian, Hungarian, and German -- in our homeland, to constantly strengthen the conviction that the supreme patriotic duty is to commendably do one's duty at one's working place and to contribute to defending, strengthening, and developing our achievements.

Covasna County is going through a period of intensive development and prosperity due to the party's scientific policy and due to the application of the principle you, much esteemed Comrade Secretary General, have formulated and promoted with such excellence and consistency and according to which socialism and democracy are indivisible. The very existence of our council set up by your generous initiative, part and parcel of our comprehensive democratic system, is a clear example of the consistent application of this principle. On this occasion too we would like to stress one of your unfading merits, namely blending the goal of harmoniously developing all our country's counties with the complex strategy of building the comprehensively developed socialist society, a work of great scope that characterizes the era we call by the name that is dear to all of us: the "Ceausescu era."

The application of this genuinely democratic guidline, which we view as a contribution of greatest significance to enriching the revolutionary theory of the workers class, has brought about a radical change in the socioeconomic activity of Covasna County. Following the implementation of an almost 20 billion lei investment program to the benefit of the Romanian and Hungarian residents in our county, more than 40,000 new work places were created in the past 20 years, most of them in the modern enterprises within the large industrial complexes built upon your recommendation in Tirgu Secuiesc and Sfintu Gheorghe. In the past 20 years the country's industrial output increased almost 8 and 1/2 times and agricultural yields 1.7 times over. The sustained economic growth rate has ensured a great improvement in the standard of living. Incomes derived from wages increased almost five fold. Almost 30,000 new apartments, schools with 841 classrooms, kindergartens with 5,230 beds, and numerous cultural establishments and health care units have been built. Today every fifth resident in our country is studying. We have 27 schools in which although the number of pupils is below established norms -- classes have been set up so that these pupils are able to attend courses in their mother tongue. Hundreds upon hundreds of ensembles are active within the "Song to Romania" National Festival giving performaces in Romanian, Hungarian, or in both languages, thus cultivating our beautiful folklore traditions, precisely those traditions which according to certain slanderers abroad -- who would like Romania to be an "eminently agricultural" country forever -- have disappeared as a result of our industrialization.

All these achievements indubitably prove the excellent way in which our Communist Party has resolved the nationality problems for good and on the basis of the Marxist-Leninist concept and the principles of scientific socialism.

These are realities that prove that our party has not placed stress on formal or peripheral aspects of human rights, but on resolving essential problems, those of ensuring the economic basis for exercising equal rights which are ensured for all our country's citizens. Thus not only has any kind of discrimination been eliminated, but the equal participation in education and culture have been ensured.

This is why we most determinedly reject any attempt to slander the great achievements attained by our people, any influences alien to our revolutionary concept about the world and life, and any signs of nationalism and chauvinism. He who wants to see for himself what real equality of rights looks like should visit Covasna County! However, he who tries to sow enmity between us should know that he will encounter an adamant unity here, irrespective of nationality, among all working people who, like all our people, follow with unshakable trust our Communist Party -- the guarantor for the fulfillment of our socialist nation's supreme aspirations.

We are indignant at the attempts abroad, including articles in the official press, to propagate revisionist and reactionary theses flagrantly at variance with the truth and realities and which grossly falsify our history; and we are indignant at attempts to revive certain political mentalities, anachronistic concepts which have been definitively condemned by history. We categorically reject such diversions which seriously harm the cause of rapproachement and understanding among peoples and which, in the final analysis, play into the hands of imperialist, reactionary, and revanchist circles which are hostile to peace and international cooperation and to the peoples' basic interessts.

In conclusion, I want to again assure you, much esteemed and beloved Comrade Secretary General, that the working people in Covasna County are determined to fulfill commendably the tasks devolving upon them under the great goals put forward by the 13th party congress and under your guidelines and recommendations.

On the eve of the new year, the residents of our county, along with all our people, want to convey to you wholehearted wishes for good health, a long life, further and great achievements in the work of historic importance you are carrying out at the head of the party and state for the elevation and glory of our dear homeland, the Socialist Republic of Romania.

CEAUSESCU ADDRESSES NEW YEAR WELL-WISHERS

AU021103 Bucharest SCINTEIA in Romanian 31 Dec 84 pp 1, 3

[Speech by RCP Secretary General Nicolae Ceausescu to New Year well-wishers in Bucharest 30 December]

[Text] Dear comrades and friends, members of the Union of Communist Youth, Pioneers, and Fatherland's Falcons, my dear young friends and children, dear comrades and friends: I want to begin by expressing thanks for the wishes you have extended to me and for the wishes to the party and our people on the occasion of the new year.

First of all I want to extend to you, dear youngsters and children, best wishes for the new year. I wish you to grow and to acquire the most elevated knowledge in all fields and to constantly improve your standard of training; learn and learn again so that you will be able to master the high knowledge of science and technology, and of human understanding in order to become good builders of socialism and communism in Romania! (loud, prolonged applause and cheers; chants of "Ceausescu-youth!")

We are concluding 1984 with new achievements in our homeland's socialist development. We celebrated the 40th anniversary of the revolution for social and national liberation. The 13th party congress took place this year, putting forward a new program up to 1990 and in certain fields up to the year 2000 regarding elevating Romania onto new levels of progress and civilization, and regarding the constant improvement in the material and cultural well-being of our people. We have carried out new projects which have changed our homeland's image. The Danube has now a new arm, a new passage to the Black Sea. Thus Romania's map has gained, so to say, a new river, the Danube-Black Sea Canal.

All this is the fruit of the heroic work carried out by our workers class, by the peasantry, the intellectuals, and all working people, irrespective of nationality. It is the fruit of all our wonderful people, the conscious builders of socialism. This is why now, on the eve of the new year, I want to extend warmest congratulations to all builders of socialism and to all our people for the achievements and accomplishments in 1984 and to wish them further successes in developing our socialist homeland! (loud, prolonged applause and cheers)

We begin the new year 1985, the last year of the current 5-year plan, with a work program and achievements that will ensure the complete fulfillment of the 5-year plan and the implementation of one of its basic goals -- raising Romania onto a new development level, which will lead to a further increase in the people's incomes and standard of living and will create conditions so that our homeland will become richer and more powerful and will be able to proceed with increasingly determined strides toward the golden dream of mankind, toward communism! (loud, prolonged applause and cheers; chants of "Ceausescu-RCP!")

You, dear children and young friends, are living in a society in which everything that has been achieved is designed for the general development of the homeland, for improving our people's civilization, and primarily in a society in which everything is being done to ensure the best conditions for your upbringing and your life.

Make sure that the wonderful conditions which are secured for you by the people's work will be an impetus for you to learn, learn, and learn again. You are young, you are children, and I know -- I am referring especially to young people -- that you are making your contribution and do all you can to implement the program on our country's development. I know that this canal that has changed the map of Romania also incorporates the heroic work by brigade workers and by the young people in our homeland. However, you must never forget that in order to be able to be a dignified citizen of Socialist Romania you must learn, learn, and learn again! I want to repeat this because Romania's golden future, our homeland's communist future depend on your level of knowledge! (loud, prolonged applause, and cheers; chants of "Ceausescu-youth!")

Prepare thoroughly for life and work! At the same time, be children, be joyful, play and have a good time, because only joy and youthfulness will raise people that are healthy from all viewpoints! (loud applause and cheers; chants of "Ceausescu-Romania protect childhood!")

Always value our people and your parents, those who today, by overcoming many difficulties, are elevating our homeland onto higher and higher levels and who create conditions for our firm advance toward the society in which man will be completely free and master of his destiny!

Let us value the past of struggles and work carried out by our predecessors, by our people! Let us not forget that our life today is the result of the work, struggle, and sacrifices made by our predecessors, the democrats, revolutionaries, patriots, and the communists who sacrificed even their lives so that our people are free to fashion their own dignified life as they desire! (loud applause and cheers; chants of "Ceausescu-peace!")

We welcome the new year with the firm determination to do all we can to implement the party program and the goals put forward by the 13th party congress. (loud, prolonged applause and cheers)

We begin the new year with the firm resolution to intensify our international activity and the struggle for disarmament and a world of peace and cooperation among all world nations! (loud applause and cheers; chants of "Ceausescu-peace!")

Like we ourselves, people everywhere, children, and young people are welcoming the new year with the desire and hope that it will lead to a halt in the arms race and that it will mark the beginning of disarmament, primarily nuclear disarmament, and that it will ensure people's vital right to existence -- free and independent -- to life and peace. (loud applause and cheers; chants of "Ceausescu-peace!")

That is why now I too want to call upon all heads of states and governments, and upon all countries -- in the name of life, of the children, and peoples -- to do all they can to eliminate the danger of war and to ensure peace! Only in this way will we be up to the requirements of our peoples, our children, and youth; only thus we will prove that we are men, that we love people, and we are doing all we can for the future of mankind! (loud, prolonged applause and cheers; long chants of "Ceausescu-peace!")

Beginning the new year, I want to wish, first and foremost, the workers class, the peasantry, the intelligentsia, and all working people, irrespective of nationality, and all our people our traditional: "Happy new year!" as well as further success in life and work and the fulfillment of all wishes for better life and for peace! (loud, prolonged applause and cheers; chants of "Ceausescu-many happy returns!")

To you, dear children and young friends, members of the Union of Communist Youth, Pioneers, and Fatherland's Falcons I want to convey our ancient wish: Grow up and become as strong as fir trees -- as old people in our country say -- be always dignified and free sons of an independent and free Romania!

A happy new year, my dear friends!

Great happiness! (loud, prolonged applause and cheers; chants of "Ceausescu-many happy returns!"; "Ceausescu-youth!"; "Ceausescu and the people!" All those present warmly and enthusiastically show their love and adherence to the party and its beloved leader, and president of the republic, Comrade Nicolae Ceausescu)

TANJUG VIEWS PROSPECTS OF GROMYKO, SHULTZ MEETING

LD021724 Belgrade TANJUG in English 1530 GMT 2 Jan 85

[Text] Moscow, Jan 2 (TANJUG) -- Soviet Foreigner Minister Andrey Gromyko has said he hopes that the U.S. side at the Geneva negotiations will adopt a "constructive and realistic position" and "join the Soviet Union in the search for efficient agreements." Gromyko's statement to the Japanese newspaper ASAHI was published in Soviet newspapers today.

Gromyko, who is one of the Soviet Union's most experienced diplomats, will be accompanied by a large team of experts on the various problems of disarmament. However, he has chosen a very narrow circle of closest aides -- three or four -- to take part with him in the talks, it is noted here. This fact leads to the conclusion that the Geneva meeting will not be an arena for propaganda recriminations but a genuine, well-prepared and conceived dialogue, which, if successful, could mark the two superpowers' return to the policy of detente, which characterised their relations in the 1970's.

FINANCE SECRETARIAT ANNOUNCES PRICE CHANGES

LD021825 Belgrade TANJUG in English 1856 GMT 2 Jan 85

[Text] Belgrade, Jan 2 (TANJUG) -- The Yugoslav Secretariat of Finance today announced that as of last midnight higher prices were introduced for tobacco and products, fuel for motor vehicles, hard drinks, citrus fruit, textiles and footwear.

Sales taxes for imported motor vehicles and hard drinks were cut down to equal those for the same products of Yugoslav make.

Prices were lowered for hydro-and thermo-insulation building construction materials, medicaments, Yugoslav-made motor oils, dish-washing machines, soft drinks, cosmetics, precious-metal products and other luxury goods.

Different sales taxes, stated in absolute figures, are applied to each of these products.